

# HALF-YEAR REPORT

 RMCARBON

30.06.2022

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**Half-year report according with FSA regulation no. 5/2018**

**Date of release:** 16.08.2022

**Reporting date:** 30.06.2022

**Name of the Company:** SC ROMCARBON SA

**Headquarters:** Buzau , 132, Transilvaniei street

**Tel / fax:** 0238/711155; 0238/710697

**Sole registration code:** RO 1158050

**Registered business number:** J10 / 83/1991

**Subscribed and paid up share capital:** RON 26,412,209.60

**Regulated market where the issued securities are traded:** Bucharest Stock Exchange, Standard category, **Symbol ROCE**

**The main characteristics of the securities issued by the company:** 264,122,096 registered shares, dematerialized, with a nominal value of RON 0.1.



## LANGUAGE DISCLAIMER

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## MANAGEMENT COMMENTS

### Dear Shareholders,

In a nutshell in H1 2022, Romcarbon performed better than in the similar period of 2021. The total sales is 134,652,067 lei, increased by 9% as compared with the similar period of 2021. EBITDA Operational recorded an increase with 466,886 lei, +5% compared with H1 2021. The profit from operational activities is, in H1 2022, of 5,292,808 lei, increasing by 525,290 lei (+ 11%) compared to the previous year and the net profit is 4,058,675 lei, increasing by 787,698 lei (+ 24%) compared to the similar period of the previous year.

The biggest challenge for H1 2022 is the turbulence caused by the geopolitical conflicts. The drastic inflation, interruption of the raw material supply and the crisis of energy are challenges not only for our industry but also for our clients.

Regarding the consolidated result of Romcarbon Group, the net profit is 10,329,684 lei, increasing with of 5,826,326 lei (+129%) as compared with H1 2021.

In addition to Romcarbon's standalone result, the consolidated result was influenced by:

- Livingjumbo Industry SA – registered a profit of 2,385,186 lei, while it was a loss of (1,274,133) lei in H1 2021. Both PP and PET sectors have improved the performance significantly;
- RC Energo Install SRL – registered a profit of 936,597 lei, increased with 766,439 lei as compared with H1 2021, due to the increasing of Christmas lighting business in the winter 2021- 2022.
- Green-Group – the performance has improved significantly in H1 2022 compared with H1 2021. WEEE business benefits very much from the surge of the raw material price. The same is for Green Glass.

The impact of the result of the associates (Green-Group) in the Consolidated Statements of the Romcarbon Group in 2022 is 2,957,723 lei, + 591,385 lei | + 25% as compared with H1 2021.

For the second half of 2022, we must pay attention to the challenges from the geopolitical conflict, coming back of the pandemic, recession due to the inflation. It's an unprecedented period for the business.

Besides the business, this year we have elaborated the first Sustainability Strategy aiming to align with the best practice in the field of society, environment and corporate governance. We have set the goals to reduce the negative impacts of our activities on environment by managing better GHG emissions, utility consumption, waste management and promoting the circular economy especially.

It's worth mentioning that 2022 is the year Romcarbon starts to introduce the green energy. We have installed some photovoltaic panels for generating the solar energy and we will continue to invest more on it. Also we have installed the smart meters aiming to better monitor our electricity consumption and take the required actions to improve our energy efficiency.

We are not only putting the efforts for increasing company's profitability but also for sustainability.

**Huang Liang Neng**

Chairman of the Board and General Manager  
On behalf of the management team



## MAIN INDICATORS OF THE REPORT

Evolution of the main indicators of the Standalone financial statements of ROMCARBON SA

Indicators	6 Months of 2020	6 Months of 2021	6 Months of 2022		2022 vs. 2021	
<b>Revenues (Net sales)</b>	89,315,554	123,293,002	<b>134,652,067</b>	▲	11,359,065	9%
<b>Other Income</b>	2,020,556	2,223,429	<b>2,254,827</b>	▲	31,398	1%
<b>EBITDA</b>	4,653,191	8,138,189	<b>9,121,601</b>	▲	983,412	12%
<b>EBITDA Operational</b>	5,596,013	8,650,965	<b>9,117,851</b>	▲	466,886	5%
<b>Profit(loss) from operations</b>	1,362,422	4,767,518	<b>5,292,808</b>	▲	525,290	11%
<b>Net profit (loss)</b>	(35,941)	3,270,977	<b>4,058,675</b>	▲	787,698	24%
<b>Non-Current assets</b>	159,005,429	149,146,990	<b>134,941,949</b>	▼	(14,205,041)	-10%
<b>Current assets</b>	79,633,720	92,038,329	<b>113,343,423</b>	▲	21,305,094	23%
<b>Total Equity</b>	137,018,311	138,842,299	<b>135,562,335</b>	▼	(3,279,964)	-2%
<b>Total Liabilities</b>	101,620,838	102,343,019	<b>112,723,037</b>	▲	10,380,018	10%
<b>Debt ratio</b>	43%	42%	<b>45%</b>	▲	0	7%
<b>Current liquidity</b>	111%	115%	<b>121%</b>	▲	0	5%

Evolution of the main indicators in the Group's Consolidated financial statements

Indicator	6 Months of 2020	6 Months of 2021	6 Months of 2022		2022 vs 2021	
Revenue (Sales)	126,910,421	154,935,051	187,521,178	▲	32,586,127	21%
Other income	2,586,718	2,910,373	7,699,334	▲	4,788,961	165%
Share of profit / loss of associates	(2,308,339)	2,366,339	2,957,723	▲	591,385	25%
EBITDA	5,203,761	11,455,924	17,741,055	▲	6,285,132	55%
<b>EBITDA Operational</b>	<b>8,366,530</b>	<b>9,825,994</b>	<b>14,940,360</b>	▲	<b>5,114,366</b>	<b>52%</b>
<b>Profit(loss) from operations</b>	<b>2,717,638</b>	<b>4,306,601</b>	<b>9,554,929</b>	▲	<b>5,248,327</b>	<b>122%</b>
<b>Net profit <sup>1</sup></b>	<b>(1,641,836)</b>	<b>4,503,358</b>	<b>10,329,684</b>	▲	<b>5,826,326</b>	<b>129%</b>
<b>Net profit without the impact of Share of profit / loss of associates [Green-Group]</b>	<b>666,504</b>	<b>2,137,019</b>	<b>7,371,961</b>	▲	<b>5,234,942</b>	<b>245%</b>
Non-Current assets	189,352,814	178,046,798	164,935,343	▼	(13,111,455)	-7%
Current assets	96,764,098	108,380,938	148,179,479	▲	39,798,541	37%
Total Equity	137,581,392	141,611,864	146,653,769	▲	5,041,905	4%
Total Liabilities	148,535,520	144,815,873	166,461,053	▲	21,645,180	15%
Debt ratio	52%	51%	53%	▲	0	5%
Current liquidity	97%	102%	106%	▲	0	4%

<sup>1</sup> The contribution of the subsidiaries to the net profit of the Group

Company	Result 6 months 2021 (in lei)	Result 6 months 2022 (in lei)	2022 vs 2021
Romcarbon SA	3,270,977	4,058,675	787,698
Living Jumbo Industry SA	(1,274,133)	2,385,186	3,659,318
RC Energo Install SRL	170,158	936,597	766,439
Infotech Solutions SRL	37,485	71,026	33,541
Recyplat Ltd Cipru	(173)	(173)	(0)
Eco Pack Management SA	(8,453)	(1,407)	7,046
Consolidation adjustments (Share of the profit of the associate Romgreen Universal LTD (Green-Group))	2,366,339	2,957,723	591,385
Intercompany eliminations and other consolidation adjustments	(58,842)	(77,943)	(19,100)
<b>Total Net profit of the Group</b>	<b>4,503,358</b>	<b>10,329,684</b>	<b>5,826,326</b>



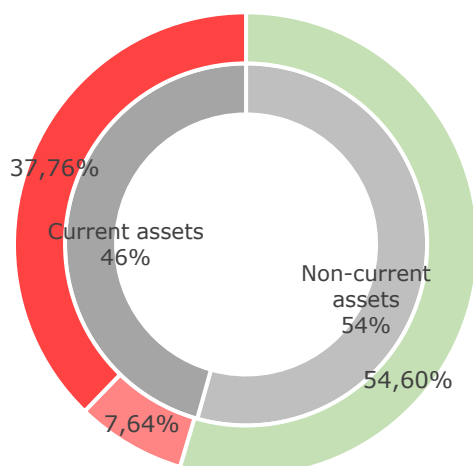
## BOARD OF DIRECTORS REPORT REGARDING THE STANDALONE FINANCIAL STATEMENTS

## 1. FINANCIAL STATEMENTS

## 1.1 STATEMENT OF THE FINANCIAL POSITION

Indicator	30.06.2021	31.12.2021	30.06.2022	30.06.2022 vs. 31.12.2021	
Property, plant and equipment	109,884,863	106,567,874	103,204,824	-3,363,050	▼ -3.16%
Investment property	11,885,346	10,894,586	10,894,586	0	— 0.00%
Intangible assets other than goodwill	291,599	294,483	233,979	-60,504	▼ -20.55%
Investments in subsidiaries, joint ventures and associates	27,085,182	20,607,559	20,608,560	1,001	▲ 0.00%
<b>Total non-current assets</b>	<b>149,146,990</b>	<b>138,364,502</b>	<b>134,941,949</b>	<b>-3,422,553</b>	<b>▼ -2.47%</b>
Current inventories	25,369,849	27,647,514	30,931,534	3,284,020	▲ 11.88%
Trade and other current receivables	58,403,979	57,463,154	68,464,110	11,000,956	▲ 19.14%
Other current financial assets	959,053	1,265,317	1,298,910	33,593	▲ 2.65%
Other current non-financial assets	2,280,411	2,187,278	2,392,162	204,884	▲ 9.37%
Cash and cash equivalents	4,954,192	12,798,377	6,496,552	-6,301,825	▼ -49.24%
Non-current assets or disposal groups classified as held for sale or as held for distribution to owners	70,845	3,760,155	3,760,155	0	— 0.00%
<b>Total current assets</b>	<b>92,038,329</b>	<b>105,121,795</b>	<b>113,343,423</b>	<b>8,221,628</b>	<b>▲ 7.82%</b>
<b>Total assets</b>	<b>241,185,318</b>	<b>243,486,297</b>	<b>248,285,372</b>	<b>4,799,075</b>	<b>▲ 1.97%</b>
Issued capital	26,412,210	26,412,210	26,412,210	0	— 0.00%
Share premium	2,182,283	2,182,283	2,182,283	0	— 0.00%
Other reserves	59,234,711	58,542,209	58,289,913	-252,296	▼ -0.43%
Retained earnings	51,013,095	47,008,179	48,677,929	1,669,750	▲ 3.55%
<b>Total Equity</b>	<b>138,842,299</b>	<b>134,144,881</b>	<b>135,562,335</b>	<b>1,417,454</b>	<b>▲ 1.06%</b>
Other non – current provisions	200,000	400,000	400,000	0	— 0.00%
Deferred tax liabilities	7,857,468	8,012,574	8,012,574	0	— 0.00%
Other non-current financial liabilities	4,391,676	4,017,590	2,775,047	-1,242,543	▼ -30.93%
Other non-current non-financial liabilities	9,749,654	8,619,928	7,790,433	-829,495	▼ -9.62%
<b>Total non-current liabilities</b>	<b>22,198,798</b>	<b>21,050,092</b>	<b>18,978,054</b>	<b>-2,072,038</b>	<b>▼ -9.84%</b>
Trade and other payables	34,656,259	37,161,910	39,150,062	1,988,152	▲ 5.35%
Other current financial liabilities	39,590,380	46,860,194	48,545,377	1,685,183	▲ 3.60%
Other current non-financial liabilities	5,897,582	4,269,220	6,049,544	1,780,324	▲ 41.70%
<b>Total current liabilities</b>	<b>80,144,221</b>	<b>88,291,324</b>	<b>93,744,983</b>	<b>5,453,659</b>	<b>▲ 6.18%</b>
<b>Total liabilities</b>	<b>102,343,019</b>	<b>109,341,416</b>	<b>112,723,037</b>	<b>3,381,621</b>	<b>▲ 3.09%</b>
<b>Total equity and liabilities</b>	<b>241,185,318</b>	<b>243,486,297</b>	<b>248,285,372</b>	<b>4,799,075</b>	<b>▲ 1.97%</b>

## STRUCTURE OF THE FINANCIAL POSITION AS AT 30.06.2022



Current liabilities: 93,744,983 lei | 38%

Non-current liabilities: 18,978,054 lei | 8%

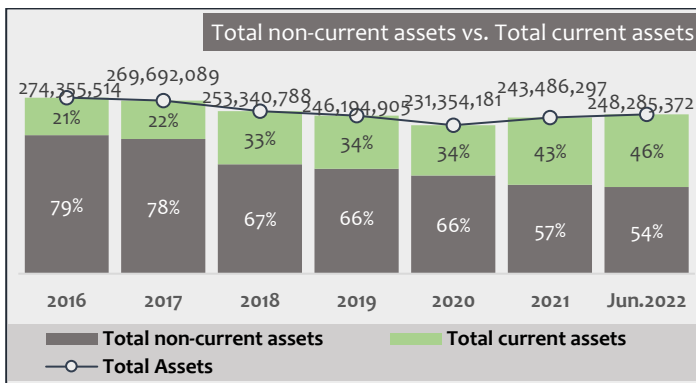
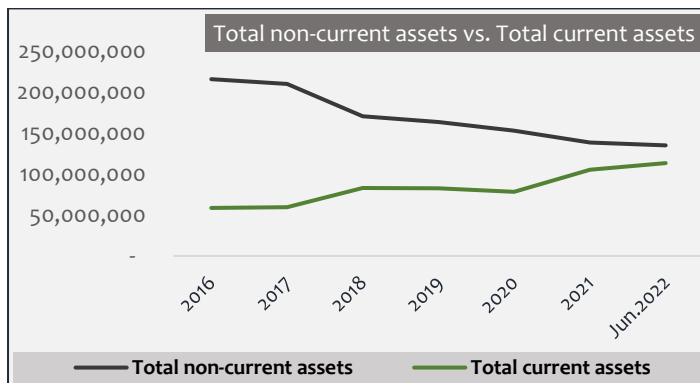
Equity: 135,562,335 lei | 55%

Non-current assets: 134,941,949 lei | 54%

Current assets: 113,343,423 lei | 46%

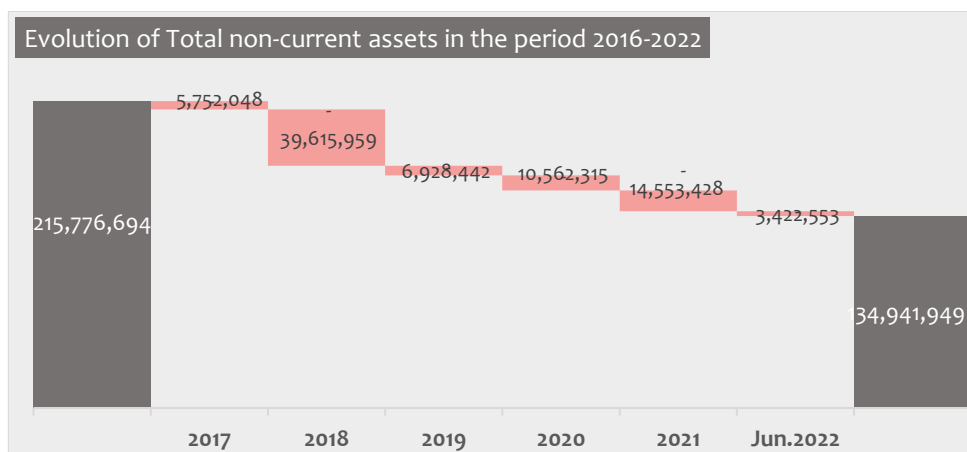


**ASSETS**



**NON-CURRENT ASSETS**

As at 30.06.2022, **Non-currents assets** hold 54.35% of the company's assets, recording a decrease of - Lei 3,422,553, i.e. -2.47 %, as compared with the beginning of the year



Non-current assets (NCA)	30.06.2022	% in total NCA	% in total Assets	30.06.22 vs. 31.12.21
Property, plant and equipment	103,204,824	76.48%	41.57%	-3.16%
Investment property	10,894,586	8.07%	4.39%	0.00%
Intangible assets other than goodwill	233,979	0.17%	0.09%	-20.55%
Investments in subsidiaries, joint ventures and associates	20,608,560	15.27%	8.30%	0.00%
<b>Total non-current assets</b>	<b>134,941,949</b>	<b>100.00%</b>	<b>54.35%</b>	<b>-2.47%</b>

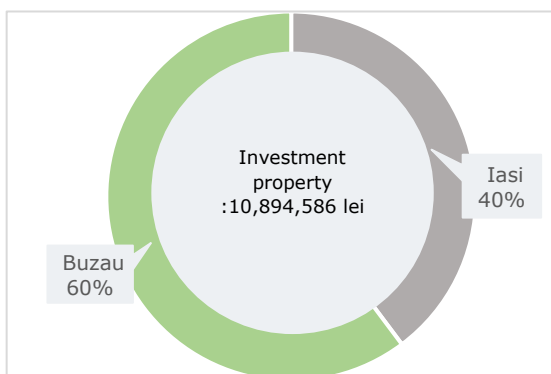
In the reporting period the entries of Non-current assets (except the investments in progress) are presented in the following table:

- Buildings (including re-arrangements and improvement) : 1,181,935 lei
- Equipment and installations : 110,524 lei

The inflows of the Non-current assets in the first 6 months of 2022 totalized LEI 1,535,936, most of which were for Administrative department.

The outputs of Non-current assets in 2022 totalized LEI 267,218 out of which LEI 198,385 cassations/dismantle and LEI 68,833 sales.

The Investment property (land & plants) have the following geographical distribution:





**Financial Investments** hold 8.30% of Total Assets, and 15.27% of Non-current assets.

As at 30.06.2022, S.C. ROMCARBON S.A. held shares in other companies totalizing Lei 30,340,197, as follows:

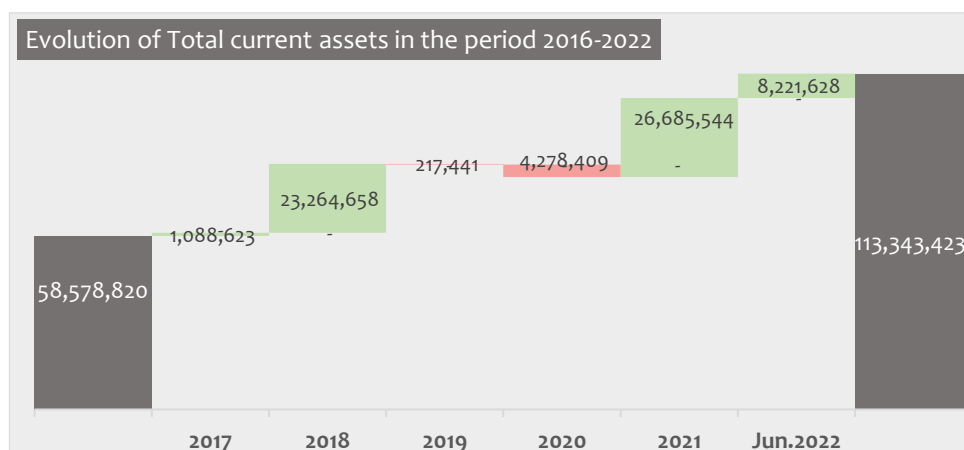
Company	Total no. of shares	Nominal value (lei)	Capital (lei)	Capital held (lei)	No. of shares held	Acquisition value of the shares (lei)	Participation quota (%)
RECYPLAT LTD CIPRU	26,000	4.3521	113,154	113,154	26,000	20,261,120	100.00%
RC ENERGO INSTALL SRL	200	10	2,000	2,000	200	15,112	100.00%
INFO TECH SOLUTIONS SRL	200	10	2,000	1,980	199	1,990	99.50%
LIVINGJUMBO INDUSTRY SA	1,400	4,032	5,644,800	5,636,736	1,398	6,477,632	99.8571%
GRINFILD LLC UCRAINA						2,687,755	62.62%
YENKI SRL	32,800	10	328,000	109,340	10,934	100,000	33.34%
ECO PACK MANAGEMENT SA	144,600	10	1,446,000	366,700	36,670	586,625	25.36%
KANG YANG BIOTECHNOLOGY CO.LTD	2,889,993			0	139,000	203,963	1.95%
REGISTRUL MIORITA SA	10,500	10	105,000	3,980	398	5,000	3.79%
VIITORUL INCEPE AZI (ONG)	7,000					1,000	14.29%
<b>TOTAL</b>						<b>30,340,197</b>	

The impairment of financial investments are presented in the following table:

Company	Holdings (%)	Adjustments
GRINFILD LLC UCRAINA	62.62%	2,687,755
YENKI SRL	33.34%	11,989
ECO PACK MANAGEMENT SA	25.36%	554,262
LIVINGJUMBO INDUSTRY SA	99.86%	6,477,632
<b>Total</b>		<b>9,731,638</b>

## CURRENT ASSETS

As at 30.06.2022, **Current assets** hold 45.65% of total assets recording an increase of Lei 8,221,628, i.e. 7.82% as compared with the beginning of the year.



Current assets (CA)	30.06.2022	% in total CA	% in Total Assets	30.06.22 vs. 31.12.21
Current inventories	30,931,534	27.29%	12.46%	11.88%
Trade and other current receivables	68,464,110	60.40%	27.57%	19.14%
Other current financial assets <sup>1</sup>	1,298,910	1.15%	0.52%	2.65%
Other current non-financial assets	2,392,162	2.11%	0.96%	9.37%
Cash and cash equivalents	6,496,552	5.73%	2.62%	-49.24%
Non-current assets or disposal groups classified as held for sale or as held for distribution to owners	3,760,155	3.32%	1.51%	0.00%
<b>Total current assets</b>	<b>113,343,423</b>	<b>100.00%</b>	<b>45.65%</b>	<b>7.82%</b>



<sup>1</sup> Loan granted to affiliates

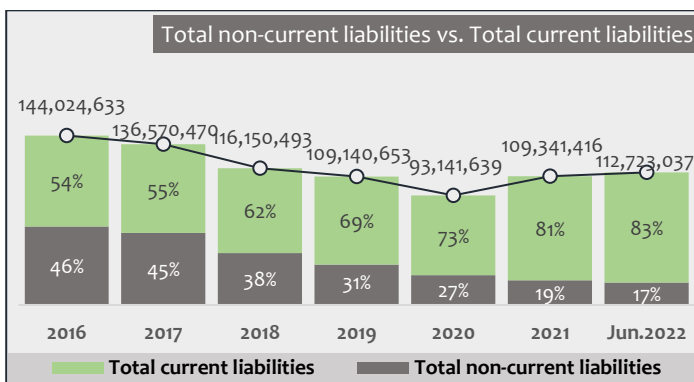
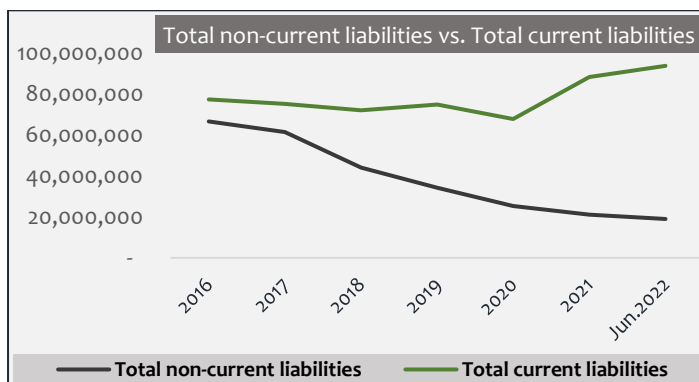
Affiliate	Value of the contract	Balance as at 31.03.2022	Interest	Total	Tenor
RC Energo Install SRL	1,231,700 lei	1,231,700 lei	67,210 lei	1,298,910 lei	03/06/2023
<b>Total</b>	<b>1,231,700 lei</b>	<b>1,231,700 lei</b>	<b>67,210 lei</b>	<b>1,298,910 lei</b>	

In June 2022, the loan granted in 2019 to RC Energo Install SRL having a maximum ceiling of LEI 1,231,700 was extended by 12 months.

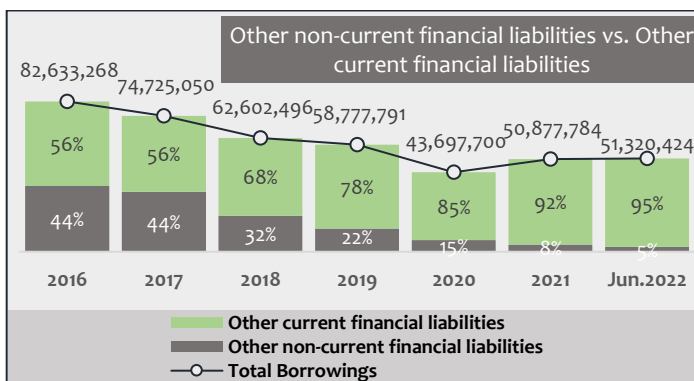
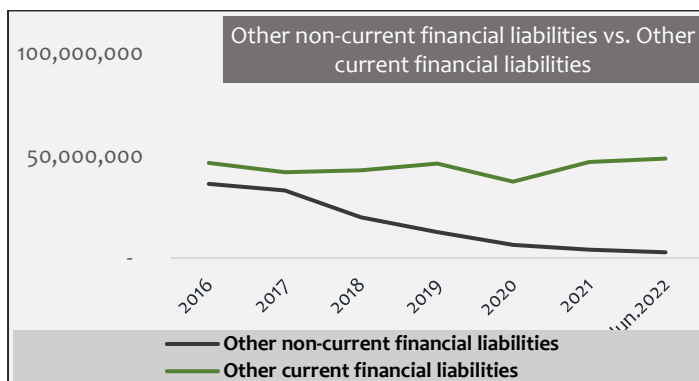
In July 2022, an additional act was signed by which the ceiling limit was increased to LEI 3,000,000.

## LIABILITIES

**Total Liabilities** hold 45.40% of the company's Equity&Liabilities recording an increase of Lei 3,381,621, i.e. 3.09% as compared with the beginning of the year.



## BORROWINGS



As at 30.06.2022 the loans contracted by S.C. ROMCARBON S.A. have the following structure :

Type	Balance as at 30.06.2022		< 1 year	> 1 year
	in euro	in lei		
Credit lines in euro	€ 7,261,930	35,913,148 lei	35,913,148 lei	- lei
Short term credits in euro	€ 1,431,010	7,076,916 lei	7,076,916 lei	- lei
Investment loans in euro	€ 849,931	4,203,248 lei	2,398,475 lei	1,804,773 lei
<b>Total credits in euro</b>	<b>€ 9,542,870</b>	<b>47,193,312 lei</b>	<b>45,388,538 lei</b>	<b>1,804,773 lei</b>
Short term credits in lei		2,534,999 lei	2,534,999 lei	- lei
Investment loans in lei		1,592,114 lei	621,840 lei	970,274 lei
<b>Total credits in lei</b>		<b>4,127,113 lei</b>	<b>3,156,839 lei</b>	<b>970,274 lei</b>
<b>Total bank exposure</b>		<b>51,320,424 lei</b>	<b>48,545,377 lei</b>	<b>2,775,047 lei</b>

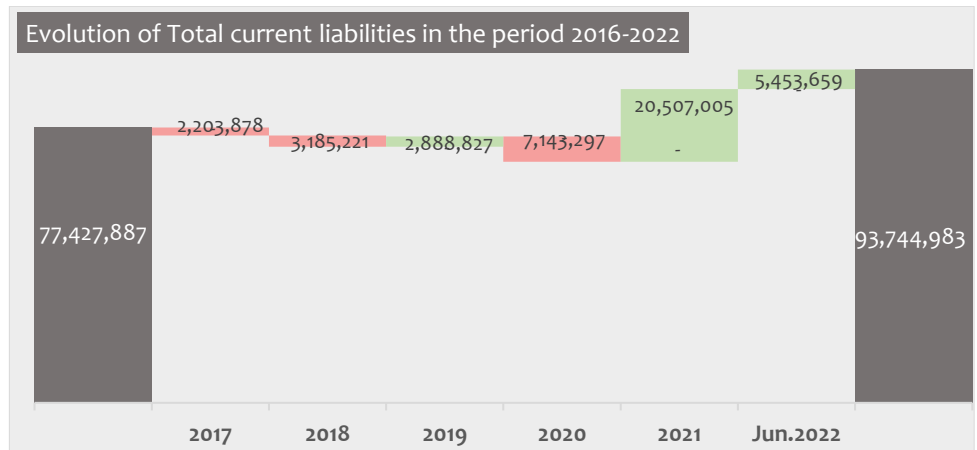
In June 2022, Romcarbon SA and Livingjumbo Industry SA signed a credit contract with UniCredit Bank SA to finance the purchase of inventories with a ceiling of EUR 3,000,000, the maturity of the credit being 06.07.2023. The credit facility will be used 26% by Romcarbon and 74% by Livingjumbo Industry.

Also in June 2022, Romcarbon SA signed a long-term loan agreement with UniCredit Bank SA with a value of EUR 2,950,000 for the financing of the investment plan for the year 2022, the maturity of the loan being 08.06.2027.



**CURRENT LIABILITIES**

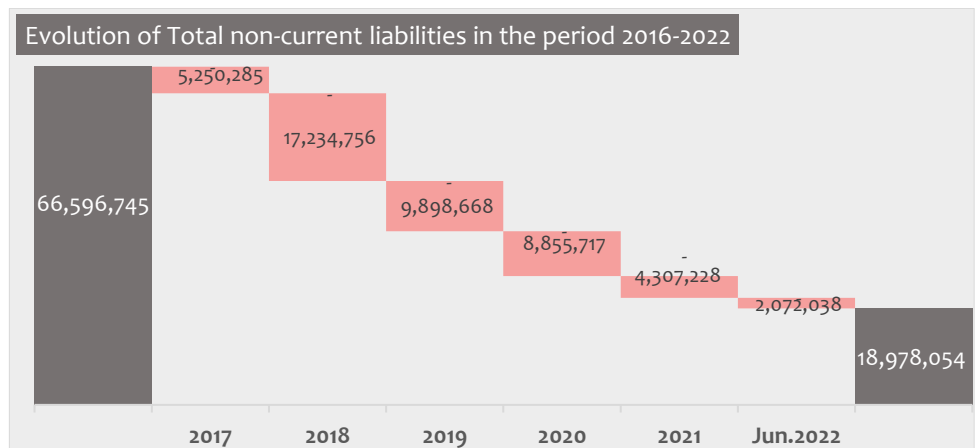
**Current liabilities of the Company**, representing 83.16% of the Total Liabilities and 37.76% of Total Equity & Liabilities have increased by Lei 5,453,659 as compared with the beginning of the year, i.e. 6.18%.



Current liabilities	30.06.2022	% in total liabilities	% in Total current liabilities	% in Total Equity and Liabilities	30.06.22 vs. 31.12.21
Trade and other payables	39,150,062	34.73%	41.76%	15.77%	5.35%
Other current financial liabilities	48,545,377	43.07%	51.78%	19.55%	3.60%
Other current non-financial liabilities	6,049,544	5.37%	6.45%	2.44%	41.70%
<b>Total current liabilities</b>	<b>93,744,983</b>	<b>83.16%</b>	<b>100.00%</b>	<b>37.76%</b>	<b>6.18%</b>

**NON-CURRENT LIABILITIES**

**Non-current Liabilities** representing 7.64% of the company's Equity & Liabilities recording in the reporting period a decrease of - Lei 2,072,038, i.e. -9.84%, as compared with the beginning of the year.



Non-current liabilities	30.06.2022	% in total liabilities	% in Total Non-current liabilities	% in Total Equity and Liabilities	30.06.22 vs. 31.12.21
Other non - current provisions	400,000	0.35%	2.11%	0.16%	0.00%
Deferred tax liabilities	8,012,574	7.11%	42.22%	3.23%	0.00%
Other non-current financial liabilities	2,775,047	2.46%	14.62%	1.12%	-30.93%
Other non-current non-financial liabilities	7,790,433	6.91%	41.05%	3.14%	-9.62%
<b>Total non-current liabilities</b>	<b>18,978,054</b>	<b>16.84%</b>	<b>100.00%</b>	<b>7.64%</b>	<b>-9.84%</b>



## EQUITY

**Total Equity** holds **54.60 %** of Total Equity & Liabilities, recording in the reporting period an increase of Lei 1,417,454 as compared with the beginning of the year.

Evolution of Total Equity in the period 2016-2022



Equity	30.06.2022	% in Total Equity and liabilities
Issued capital (264,122,096 shares at Lei 0.10/share)	26,412,210	10.64%
Share premium	2,182,283	0.88%
Reserves	58,289,913	23.48%
Retained earnings	48,677,929	19.61%
<b>Total equity</b>	<b>135,562,335</b>	<b>54.60%</b>

## 1.2. STATEMENT OF THE COMPREHENSIVE INCOME

Indicator	6 Months of 2020	6 Months of 2021	6 Months of 2022		2022 vs. 2021	
Revenues (Net sales)	89,315,554	123,293,002	134,652,067	▲	11,359,065	9%
Other Income <sup>2</sup>	2,020,556	2,223,429	2,254,827	▲	31,398	1%
Increase (decrease) in inventories of finished goods and work in progress	(152,771)	2,132,771	3,871,197	▲	1,738,426	82%
Raw materials and consumables used	(58,742,558)	(89,702,894)	(101,857,503)	▲	(12,154,609)	14%
Employee benefits expenses and social charges	(18,486,177)	(20,488,805)	(20,950,089)	▲	(461,284)	2%
Depreciation and amortisation expenses	(5,126,978)	(4,999,169)	(4,904,747)	▼	94,422	-2%
Other expenses	(7,277,396)	(7,887,790)	(7,862,018)	▼	25,772	0%
Other gains and losses	(187,808)	196,974	89,074	▼	(107,900)	-55%
<b>Profit (loss) from operating activities</b>	<b>1,362,422</b>	<b>4,767,518</b>	<b>5,292,808</b>	▲	<b>525,290</b>	<b>11%</b>
Finance Income	14,739	73,323	188,357	▲	115,034	157%
Finance Cost	(1,332,967)	(1,046,125)	(703,394)	▼	342,731	-33%
<b>Profit (loss) before tax</b>	<b>44,194</b>	<b>3,794,716</b>	<b>4,777,771</b>	▲	<b>983,055</b>	<b>26%</b>
Income Tax	(80,135)	(523,739)	(719,096)	▲	(195,357)	37%
<b>Profit (loss) of the year</b>	<b>(35,941)</b>	<b>3,270,977</b>	<b>4,058,675</b>	▲	<b>787,698</b>	<b>24%</b>
<b>Total comprehensive income</b>	<b>(35,941)</b>	<b>3,270,977</b>	<b>4,058,675</b>	▲	<b>787,698</b>	<b>24%</b>
<b>EBITDA Operational</b>	<b>5,596,013</b>	<b>8,650,965</b>	<b>9,117,851</b>	▲	<b>466,886</b>	<b>5%</b>

Note: EBITDA operational is calculated only for operational activity, excluding the depreciation, sales of non-current assets, non-repeating elements and financial activity.

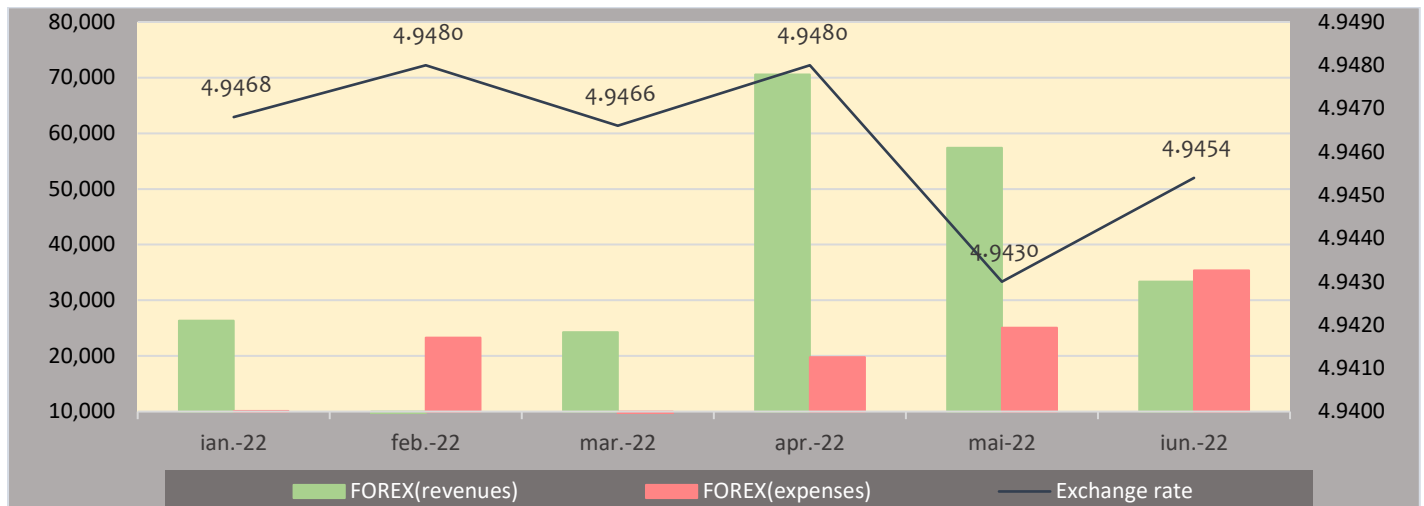
Indicator	6 Months of 2020	6 Months of 2021	6 Months of 2022
Average no. of employees	800	825	<b>758</b>



<sup>2</sup> In the item « Other income » are comprised the following items :

Indicator	6 Months of 2020	6 Months of 2021	6 Months of 2022	2022 vs. 2021	
Rentals	889,205	1,093,704	1,125,102	▲	31,398 3%
Income from subsidies for investments	1,131,351	1,129,725	1,129,725	—	- 0%
<b>Total</b>	<b>2,020,556</b>	<b>2,223,429</b>	<b>2,254,827</b>	<b>▲</b>	<b>31,398 1%</b>

In accordance with Order no. 1286/2012 the company bank availabilities, the receivables and the liabilities expressed in a foreign currency are evaluated each month at the closing exchange rate comunicated by NBR. From this evaluation in 6 Months of 2022 the company registered revenues in amount of Lei 216,505 and expenses in amount of Lei 117,304, resulting a profit of Lei 99,200.



In the same period of last year by re-valuating the company bank availabilities, receivables and liabilities expressed in a foreign currency it was registered a loss of – Lei 480,728.



On quarters, **the Statement of the comprehensive income** has the following evolution:

Indicator	Q I 2021	Q II 2021	Q I 2022	Q II 2022	Q I 2022 vs. Q I 2021	Q II 2022 vs. Q II 2021
Revenues (Net sales)	61,224,757	62,068,245	68,291,731	66,360,336	7,066,974	4,292,091
Other Income	1,108,970	1,114,459	1,116,613	1,138,214	7,643	23,755
Increase (decrease) in inventories of finished goods and work in progress	1,048,456	1,084,315	3,326,017	545,180	2,277,561	(539,135)
Raw materials and consumables used	(46,048,201)	(43,654,693)	(54,965,256)	(46,892,247)	(8,917,055)	(3,237,554)
Employee benefits expenses and social charges	(9,929,429)	(10,559,376)	(10,055,518)	(10,894,571)	(126,089)	(335,195)
Depreciation and amortisation expenses	(2,523,464)	(2,475,705)	(2,459,525)	(2,445,222)	63,939	30,483
Other expenses	(3,877,206)	(4,010,584)	(3,815,220)	(4,046,798)	61,986	(36,214)
Other gains and losses	86,527	110,447	64,602	24,472	(21,925)	(85,975)
<b>Profit (loss) from operating activities</b>	<b>1,090,410</b>	<b>3,677,108</b>	<b>1,503,444</b>	<b>3,789,364</b>	<b>413,034</b>	<b>112,256</b>
Finance Income	47,959	25,364	75,258	113,099	27,299	87,735
Finance Cost	(751,703)	(294,422)	(338,272)	(365,122)	413,431	(70,700)
<b>Profit (loss) before tax</b>	<b>386,666</b>	<b>3,408,050</b>	<b>1,240,430</b>	<b>3,537,341</b>	<b>853,764</b>	<b>129,291</b>
Income Tax	(90,418)	(433,321)	(189,811)	(529,285)	(99,393)	(95,964)
<b>Profit (loss) of the year</b>	<b>296,248</b>	<b>2,974,729</b>	<b>1,050,619</b>	<b>3,008,056</b>	<b>754,371</b>	<b>33,327</b>
<b>Total comprehensive income</b>	<b>296,248</b>	<b>2,974,729</b>	<b>1,050,619</b>	<b>3,008,056</b>	<b>754,371</b>	<b>33,327</b>
<b>EBITDA Operational</b>	<b>3,073,331</b>	<b>5,577,634</b>	<b>3,425,842</b>	<b>5,692,009</b>	<b>352,510</b>	<b>114,375</b>



### 1.3. REVENUES (NET SALES)

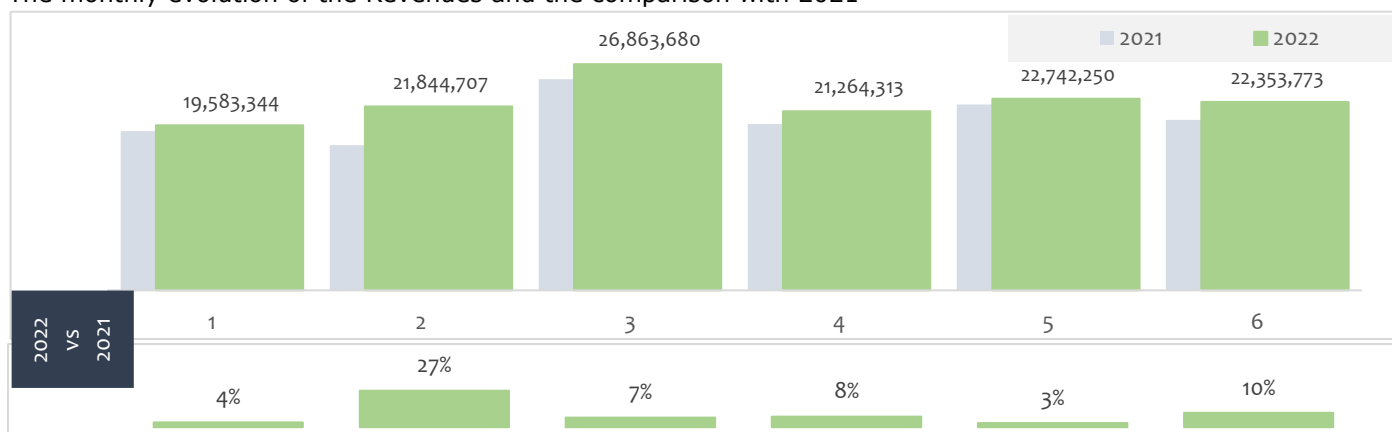
The item "Revenues(Net sales)" had the following evolution:

	6 Months of 2020	6 Months of 2021	6 Months of 2022		2022 vs. 2021	
- Sales of finished goods	63,990,341	82,929,384	95,548,711	▲	12,619,326	15%
- Sales of intermediary goods	2,320	11,536	57,676	▲	46,140	400%
- Services rendered	182,347	245,210	403,383	▲	158,173	65%
- Sales of commodities	22,287,829	37,592,779	34,874,238	▼	(2,718,540)	-7%
- Other sales	2,852,717	2,514,092	3,768,059	▲	1,253,967	50%
<b>Total revenues</b>	<b>89,315,554</b>	<b>123,293,002</b>	<b>134,652,067</b>	<b>▲</b>	<b>11,359,065</b>	<b>9%</b>

Grouped by segments of activities, the Revenues are presented in the below table

	6 Months of 2020	6 Months of 2021	6 Months of 2022		2022 vs. 2021	
Plastic processing sector: polyethylene+polystyrene+polypropylene	49,595,286	61,312,888	67,473,990	▲	6,161,102	10%
Regenerated polymers & Compounds	11,586,140	18,665,292	23,570,544	▲	4,905,252	26%
Other production sectors (industrial and automotive filters, active carbon, respiratory protective equipment, PVC traffic base)	2,808,914	2,951,204	4,504,176	▲	1,552,972	53%
Other activities	25,325,213	40,363,617	39,103,356	▼	(1,260,261)	-3%
<b>Total</b>	<b>89,315,554</b>	<b>123,293,002</b>	<b>134,652,067</b>	<b>▲</b>	<b>11,359,065</b>	<b>9%</b>

The monthly evolution of the Revenues and the comparison with 2021



	6 Months of 2020	6 Months of 2021	6 Months of 2022		2022 vs. 2021	
Net sales	89,315,554	123,293,002	134,652,067	▲	11,359,065	9%
Rental and royalty income	889,205	1,093,704	1,125,102	▲	31,398	3%
<b>Turnover, out of which:</b>	<b>90,204,759</b>	<b>124,386,706</b>	<b>135,777,169</b>	<b>▲</b>	<b>11,390,463</b>	<b>9%</b>
~domestic market	71,215,754	98,615,036	108,148,293	▲	9,533,257	10%
~exports	18,989,004	25,771,670	27,628,876	▲	1,857,206	7%

Note: Turnover comprises the item Revenues from Profit and Loss Account , plus Rental and royalty income which is comprised in Other income.



## 1.4. FINANCIAL RATIOS

Indicator	Formula	30.06.2020	30.06.2021	30.06.2022
EBIT	Net profit + Expenses with interests	657,564	4,268,745	5,346,579
EBITDA	EBIT + Depreciation-Subsidies for investment	4,653,191	8,138,189	9,121,601
Sales	Revenue + Rental and royalty income	90,204,759	124,386,706	135,777,169
EBITDA to sales ratio	EBITDA/Sales	5.16%	6.54%	6.72%
EBITDA to Equity ratio	EBITDA/Equity	3.40%	5.86%	6.73%
Gross profit margin	Gross profit/Sales	0.05%	3.05%	3.52%
Current ratio	Current assets/Current liabilities	1.11	1.15	1.21
Quick ratio	(Current assets - Inventories)/Current liabilities	0.79	0.83	0.88
Non-current liabilities to Equity ratio	Non-current liabilities/Equity	22%	16%	14%
Total liabilities to Assets ratio	Total liabilities/Total Assets	43%	42%	45%
Long term capital to Equity	Borrowed capital/Equity	7%	3%	2%
Long term capital to engaged capital	Borrowed capital/Engaged capital	7%	3%	2%
Interest coverage ratio	EBIT/Interest expenses	1.07	9.01	9.40
Account receivable turnover ratio (days)	Average receivables/Sales	93	69	83
Account payable turnover ratio (days)	Average payables/Sales	46	44	51
Non-current assets rotation	Non-current liabilities/Sales	0.57	0.83	1.01
Return on assets (ROA)	Net profit/Assets	-0.02%	1.36%	1.63%
Return on equity (ROE)	Net profit/Equity	-0.03%	2.36%	2.99%
Return on sales (ROS)	Net profit/Sales	-0.04%	2.63%	2.99%

## 1.5. CASH FLOW

	30/06/21	31/12/21	30/06/22
<b>CASH FLOWS FROM OPERATIONS</b>			
<i>Cash generated from operations ( A )</i>	<b>(8,449,683)</b>	<b>(5,149,660)</b>	<b>(5,326,911)</b>
<b>CASH FLOWS FROM INVESTMENT ACTIVITY</b>			
<i>Net cash (used in)/generated by investing activities( B )</i>	<b>(1,325,055)</b>	<b>(3,432,448)</b>	<b>(1,415,364)</b>
<b>CASH FLOWS FROM FINANCING ACTIVITY</b>			
<i>Net cash generated/used by/in financing activities ( C )</i>	<b>(2,859,667)</b>	<b>3,791,887</b>	<b>440,450</b>
<b>NET INCREASE IN CASH AND CASH EQUIVALENTS(A+B+C)</b>	<b>(12,634,405)</b>	<b>(4,790,221)</b>	<b>(6,301,825)</b>
<b>CASH AND CASH EQUIVALENTS AT THE BEGINNING OF THE YEAR</b>	<b>17,588,598</b>	<b>17,588,598</b>	<b>12,798,377</b>
<b>CASH AND CASH EQUIVALENTS AT THE END OF THE PERIOD</b>	<b>4,954,192</b>	<b>12,798,377</b>	<b>6,496,552</b>





## 2. ANALYSES OF THE COMPANY ACTIVITY

- 2.1 Nothing to mention  
 2.2 Nothing to mention  
 2.3 Nothing to mention

## 3. CHANGES IN THE REPORTING PERIOD WITH A MAJOR IMPACT ON THE COMPANY'S EQUITY AND COMPANY'S MANAGEMENT

3.1. In the reporting period the company fulfilled all its obligations regarding paying its financial, commercial, bank, and tax debts within the tenor.

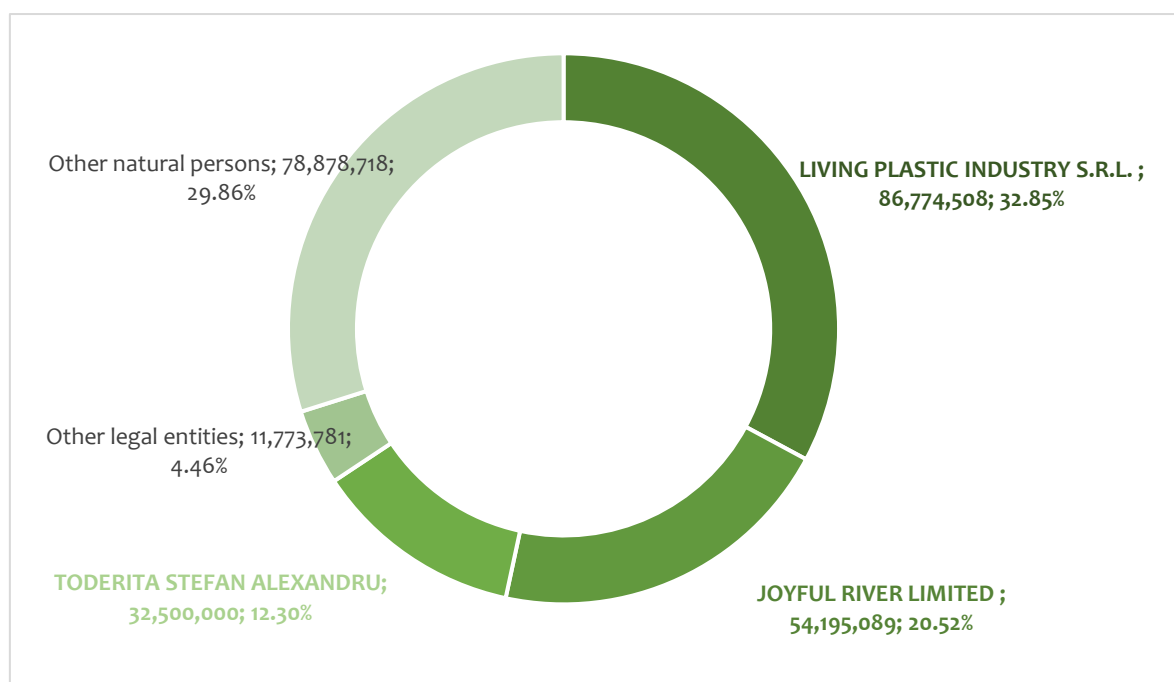
3.2. Nothing to mention.

## 4. TRANZACTIONS WITH AFFILIATES IN THE PERIOD 01.01.2022 – 30.06.2022

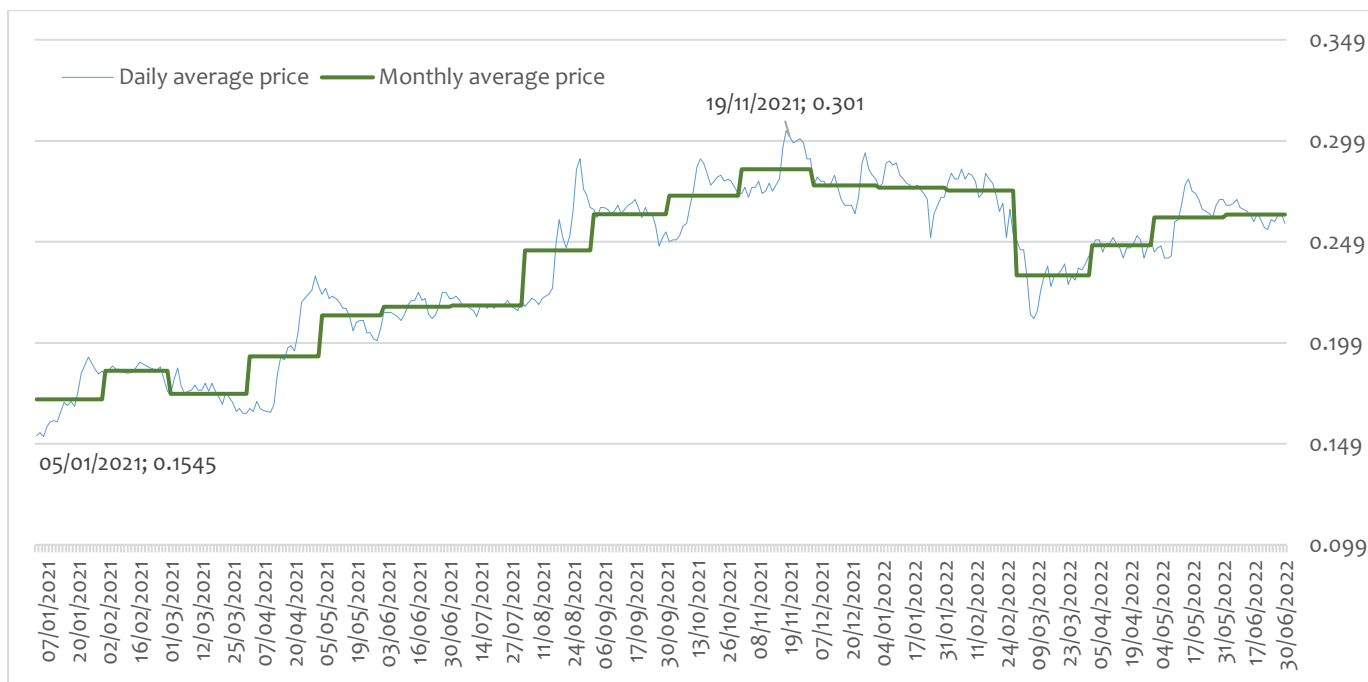
Affiliate	Sales (w/o VAT)	Acquisitions (w/o VAT)
ECO PACK MANAGEMENT SA	0	0
INFO TECH SOLUTIONS S.R.L.	16,324	284,429
LIVINGJUMBO INDUSTRY SA	31,339,526	720,059
RC ENERGO INSTALL SRL	63,691	1,389,850
<b>Total</b>	<b>31,419,540</b>	<b>2,394,338</b>

## 5. STRUCTURE OF THE SHAREHOLDERS

As at **30.06.2022** SC Romcarbon SA shareholders' structure, according to Depozitarul Central SA was as follows:



### Evolution of average price of ROCE shares in the period 01.01.2021-30.06.2022



**The Separate Financial Statements for the period ended June 30, 2022 have not been audited.**

**Chairman of the Board and General Manager,**

Huang Liang Neng

**Financial Manager,**

ec. Zainescu Viorica Ioana

**General Manager for Administrative Operations,**

Manaila Carmen



## DECLARATION OF THE MANAGEMENT

Undersigners, **HUANG LIANG NENG**- the Chairman of the Board and General Manager, **MANAILA CARMEN**- the Deputy General Manager for Administrative Operations and **ZĂINESCU VIORICA-IOANA**, the Financial Manager of ROMCARBON S.A. Buzau, a company located in Buzau, 132 Transilvaniei street, registered with Buzau Trade Register under the number J10/83/91, having the sole registration number RO1158050, hereby declare that, to the best of our knowledge, the **Interim Standalone Financial Statements for the period ended June 30, 2022** prepared in accordance with International Financial Reporting Standards (IFRS) as it were adopted by European Union provide a fair and accurate view of the assets, liabilities, financial position, income statement and statement of comprehensive income and the report of the Board of Directors prepared in accordance with the appendix 14 of the F.S.A. Regulation no. 5/2018 provides fairly and comprehensively the information regarding ROMCARBON S.A

**HUANG LIANG NENG,**  
Chairman of the Board  
And General Manager

**ZAINESCU VIORICA,**  
Financial Manager

**MANAILA CARMEN,**  
Deputy General Manager for Administrative operations



# **S.C. ROMCARBON S.A.**

## **UNAUDITED CONDENSED INTERIM FINANCIAL STATEMENTS FOR THE PERIOD ENDED JUNE 30, 2022**

PREPARED IN ACCORDANCE WITH THE  
INTERNATIONAL FINANCIAL REPORTING STANDARDS  
AS ADOPTED BY THE EUROPEAN UNION



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**STATEMENT OF THE COMPREHENSIVE INCOME  
FOR THE PERIOD ENDED JUNE 30, 2022**

(all amounts are expressed in lei, unless specified otherwise)

	<b>6 Months of 2022 RON</b>	<b>6 Months of 2021 RON</b>
Revenues	134,652,067	123,293,002
Other income	2,254,827	2,223,429
Changes in inventories	3,871,197	2,132,771
Raw materials and consumables used	(101,857,503)	(89,702,894)
Employee salaries and benefits	(20,950,089)	(20,488,805)
Depreciation and amortization expenses	(4,904,747)	(4,999,169)
Operational expenses	(7,862,018)	(7,887,790)
Other gains or losses	89,074	196,974
<b>Profit from operating activities</b>	<b>5,292,808</b>	<b>4,767,518</b>
Finance income	188,357	73,323
Finance cost	(703,394)	(1,046,125)
<b>Profit before tax</b>	<b>4,777,771</b>	<b>3,794,716</b>
Income tax	(719,096)	(523,739)
<b>Profit of the year</b>	<b>4,058,675</b>	<b>3,270,977</b>
<b>Total comprehensive income</b>	<b>4,058,675</b>	<b>3,270,977</b>
Earnings per share	0,0154	0,0124
<b>Number of shares</b>	264,122,096	264,122,096

The condensed interim Standalone financial statements have been authorized by the Board of Directors to be issued on August 12, 2022.

**PREPARED BY,**

**HUANG LIANG NENG**

Chairman of the Board and  
General Manager

**VIORICA ZAINESCU**

Financial Manager

**CARMEN MANAILA**

Deputy General Manager  
for Administrative  
operations



**STATEMENT OF THE FINANCIAL POSITION  
FOR THE PERIOD ENDED JUNE 30, 2022**

(all amounts are expressed in lei, unless specified otherwise)

	<b>June 30, 2022</b>	<b>December 31, 2021</b>
<b>ASSETS</b>		
<b>Non-current assets</b>		
Property, plant and equipment	103,204,824	106,567,874
Investment property	10,894,586	10,894,586
Intangible assets	233,979	294,483
Financial assets	20,608,560	20,607,559
<b>Total non-current assets</b>	<b>134,941,949</b>	<b>138,364,502</b>
<b>CURRENT ASSETS</b>		
Inventories	30,931,534	27,647,514
Trade and other receivables	68,464,110	57,463,154
Other current financial assets	1,298,910	1,265,317
Other current non-financial assets	2,392,162	2,187,278
Cash and cash equivalents	6,496,552	12,798,377
<b>Total current assets other than non-current assets or disposal groups classified as held for sale or as held for distribution to owners</b>	<b>109,583,268</b>	<b>101,361,640</b>
Non-current assets held for sale	3,760,155	3,760,155
<b>Total current assets</b>	<b>113,343,423</b>	<b>105,121,795</b>
<b>TOTAL ASSETS</b>	<b>248,285,372</b>	<b>243,486,297</b>
<b>EQUITY AND LIABILITIES</b>		
<b>CAPITAL AND RESERVES</b>		
Issued capital	26,412,210	26,412,210
Retained earnings	48,677,929	2,182,283
Share premiums	2,182,283	58,542,209
Other Reserves	58,289,913	47,008,179
<b>Total equity</b>	<b>135,562,335</b>	<b>134,144,881</b>
<b>Non-current provisions</b>		
Other provisions	400,000	400,000
<b>Total non-current provisions</b>	<b>400,000</b>	<b>400,000</b>
Deferred tax liabilities	8,012,574	8,012,574
Other non-current financial liabilities	2,775,047	4,017,590
Other non-current non-financial liabilities	7,790,433	8,619,928
<b>Total non-current liabilities</b>	<b>18,578,054</b>	<b>21,050,092</b>



**STATEMENT OF THE FINANCIAL POSITION  
FOR THE PERIOD ENDED JUNE 30, 2022**

(all amounts are expressed in lei, unless specified otherwise)

	<b>June 30, 2022</b>	<b>December 31, 2021</b>
<b>Current liabilities</b>		
Trade and other payables	39,150,062	37,161,910
Other current financial liabilities	48,545,377	46,860,194
Other current non-financial liabilities	6,049,544	4,269,220
<b>Total current liabilities</b>	<b>93,744,983</b>	<b>88,291,324</b>
<b>Total liabilities</b>	<b>112,723,037</b>	<b>109,341,416</b>
<b>Total equity and liabilities</b>	<b>248,285,372</b>	<b>243,486,297</b>

The condensed interim Standalone financial statements have been authorized by the Board of Directors to be issued on August 12, 2022.

**PREPARED BY,**

**HUANG LIANG NENG**

Chairman of the Board and  
General Manager

**VIORICA ZAINESCU**

Financial Manager

**CARMEN MANAILA**

Deputy General Manager  
for Administrative  
operations





**STATEMENT OF CHANGES IN SHAREHOLDERS' EQUITY  
FOR THE PERIOD ENDED JUNE 30, 2022**

(all amounts are expressed in lei, unless specified otherwise)

	<b>Issued capital</b>	<b>Share premiums</b>	<b>Revaluation reserves</b>	<b>Legal reserves</b>	<b>Other reserve</b>	<b>Retained earnings</b>	<b>Total</b>
<b>01/ian/2022</b>	<b>26,412,210</b>	<b>2,182,283</b>	<b>38,708,540</b>	<b>4,176,971</b>	<b>15,656,697</b>	<b>47,008,179</b>	<b>134,144,881</b>
Increases from revaluation of property, plant and equipment	-	-	-	-	-	-	-
Decreases from revaluation of property, plant and equipment	-	-	-	-	-	-	-
Dividends declared	-	-	-	-	-	(2,641,221)	(2,641,221)
Net profit of the period	-	-	-	-	-	4,058,675	4,058,675
Transfer to reserves	-	-	-	-	-	-	-
Transfer of reserves to retained earnings	-	-	(252,296)	-	-	252,296	-
Adjusted deferred tax related to fiscally non-deductible revaluation reserves	-	-	-	-	-	-	-
<b>30/jun/2022</b>	<b>26,412,210</b>	<b>2,182,283</b>	<b>38,456,244</b>	<b>4,176,971</b>	<b>15,656,697</b>	<b>48,677,929</b>	<b>135,562,335</b>

The resolution of the General Meeting of Shareholders of 08.06.2022 approved the dividend allocation in amount of Lei 2,641,221. The full amount will be transferred to the Central Depository to pay dividends owed to shareholders.

The condensed interim Standalone financial statements have been authorized by the Board of Directors to be issued on August 12, 2022.

**PREPARED BY,**

**HUANG LIANG NENG**

Chairman of the Board and  
General Manager

**VIORICA ZAINESCU**

Financial Manager

**CARMEN MANAILA**

Deputy General Manager for Administrative  
operations



**STATEMENT OF CASH-FLOW**  
**FOR THE PERIOD ENDED JUNE 30, 2022**

(all amounts are expressed in lei, unless specified otherwise)

	<b><u>30/06/2022</u></b>	<b><u>30/06/2021</u></b>
<b>Net profit(loss)</b>	<b><u>4,058,675</u></b>	<b><u>3,270,977</u></b>
Income tax expense	719,096	523,739
Depreciation	4,904,747	4,999,169
(Gain) / Loss on fixed assets disposal	(9,006)	267
Gains on internal set-up of fixed assets	(9,793)	(218,395)
Loss on impairment of stocks	-	(3,422)
Loss on receivables and sundry debtors	188	-
Interest expense	703,394	559,624
Interest income	(81,626)	(73,323)
Income from subsidies	(1,129,725)	(1,129,725)
Unrealised foreign exchange gain / (loss)	(106,731)	506,574
<b>Movements in working capital:</b>		
(Increase) / Decrease in trade and other receivables	(10,810,549)	(21,401,326)
(Increase) / Decrease in inventories	(3,284,020)	(3,080,655)
(Increase) / Decrease in other assets	(204,884)	(1,200,048)
Increase / (Decrease) in trade payables	1,988,152	8,453,321
Increase / (Decrease) in other liabilities	(642,339)	1,426,903
<b>Cash used in operating activities</b>	<b><u>(3,904,421)</u></b>	<b><u>(7,366,320)</u></b>
Income tax paid	(719,096)	(523,739)
Interest and bank charges paid	(703,394)	(559,624)
<b>Net cash used in operating activities</b>	<b><u>(5,326,911)</u></b>	<b><u>(8,449,683)</u></b>
<b>Cash flows from investing activities:</b>		
Interest received	81,626	73,323
Payments for tangible assets	(1,470,742)	(940,707)
Proceeds from sale of tangible and intangible assets	9,000	-
Related party loans granted	(33,593)	(388,279)
Proceeds from loans granted	-	-
Payments for intangible assets	(655)	(69,392)
Payments for financial assets	(1,000)	-
<b>Net cash generated by/used in investing activities</b>	<b><u>(1,415,364)</u></b>	<b><u>(1,325,055)</u></b>



**STATEMENT OF CASH-FLOW  
FOR THE PERIOD ENDED JUNE 30, 2022**

(all amounts are expressed in lei, unless specified otherwise)

	<u>30/06/2022</u>	<u>30/06/2021</u>
<b>Cash flows from financing activities:</b>		
Proceeds from/repayment of bank loans	440,450	(218,448)
Dividends paid	-	(2,641,220)
<b>Net cash generated by/(used in) financing activities</b>	<u>440,450</u>	<u>(2,859,668)</u>
<b>Net increase/(decrease) in cash and cash equivalents</b>	<u>(6,301,825)</u>	<u>(12,634,406)</u>
<b>Cash and cash equivalents at the beginning of the year</b>	<u>12,798,377</u>	<u>17,588,598</u>
<b>Cash and cash equivalents at the end of the period</b>	<u>6,496,552</u>	<u>4,954,192</u>

The condensed interim Standalone financial statements have been authorized by the Board of Directors to be issued on August 12, 2022.

**PREPARED BY,**

**HUANG LIANG NENG**

Chairman of the Board and  
General Manager

**VIORICA ZAINESCU**

Financial Manager

**CARMEN MANAILA**

Deputy General Manager  
for Administrative  
operations



**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE PERIOD ENDED JUNE 30, 2022**

(all amounts are expressed in lei, unless specified otherwise)

**REVENUES**

	<b>Period ended June 30, 2022</b>	<b>Period ended June 30, 2021</b>
	<b>RON</b>	<b>RON</b>
Sales of finished goods	96,224,218	83,156,652
Sales of commodities	34,256,407	37,377,047
Services rendered	403,383	245,210
Other sales	3,768,059	2,514,093
<b>Total</b>	<b>134,652,067</b>	<b>123,293,002</b>

**OTHER INCOME**

	<b>Period ended June 30, 2022</b>	<b>Period ended June 30, 2021</b>
	<b>RON</b>	<b>RON</b>
Income from lease of investment property	1,125,102	1,093,704
Income from subsidies	1,129,725	1,129,725
<b>Total</b>	<b>2,254,827</b>	<b>2,223,429</b>

**RAW MATERIALS AND CONSUMABLES USED**

	<b>Period ended June 30, 2022</b>	<b>Period ended June 30, 2021</b>
	<b>RON</b>	<b>RON</b>
Raw materials	52,103,034	41,534,152
Commodities sold	33,565,973	37,012,818
Energy expenses	12,927,112	7,905,598
Consumables	3,261,384	3,250,326
<b>Total</b>	<b>101,857,503</b>	<b>89,702,894</b>

**EMPLOYEE BENEFITS EXPENSES AND SOCIAL CHARGES**

	<b>Period ended June 30, 2022</b>	<b>Period ended June 30, 2021</b>
	<b>RON</b>	<b>RON</b>
Salaries	19,677,737	19,350,897
Social contributions (taxes)	478,193	474,499
Meal tickets	794,159	663,409
<b>Total</b>	<b>20,950,089</b>	<b>20,488,805</b>



**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE PERIOD ENDED JUNE 30, 2022**

(all amounts are expressed in lei, unless specified otherwise)

**DEPRECIATION/AMORTIZATION AND  
IMPAIRMENT EXPENSES**

	<b>Period ended June 30, 2022</b>	<b>Period ended June 30, 2021</b>
	<b>RON</b>	<b>RON</b>
Total depreciation expenses, of which:	4,904,747	4,999,169
Depreciation of property plant and equipment	4,843,589	4,918,637
Amortization of intangible assets	61,158	80,532
<b>Total</b>	<b>4,904,747</b>	<b>4,999,169</b>

**OPERATING EXPENSES**

	<b>Period ended June 30, 2022</b>	<b>Period ended June 30, 2021</b>
	<b>RON</b>	<b>RON</b>
Expenses with transport and logistics	2,893,244	3,149,151
Other expenses with third party services	2,890,492	2,802,341
Protocol and marketing	45,481	66,904
Expenses with repairs	837,061	584,738
Taxes and levies	622,469	768,564
Losses on receivables	188	-
Expenses with insurances	226,881	214,475
Expenses with postal charges and telecommunications	55,978	62,672
Expenses with travels	36,748	12,201
Expenses with rentals	80,069	128,547
Expenses with fines and penalties	3,427	1,673
Other expenses	169,980	96,524
<b>Total</b>	<b>7,862,018</b>	<b>7,887,790</b>

**OTHER GAINS AND LOSSES**

	<b>Period ended June 30, 2022</b>	<b>Period ended June 30, 2021</b>
	<b>RON</b>	<b>RON</b>
Income from penalties charged	6,748	6,842
Gain / (Loss) on sale of non-current assets	9,006	(267)
Gain / (Loss) on disposal of investment property	-	-
Gain / (loss) from the variation of provisions	-	3,422
Other gains	73,320	186,977
Other losses	-	-
<b>Total</b>	<b>89,074</b>	<b>196,974</b>

**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE PERIOD ENDED JUNE 30, 2022**

(all amounts are expressed in lei, unless specified otherwise)

**FINANCE INCOME**

	<b>Period ended June 30, 2022</b>	<b>Period ended June 30, 2021</b>
	<b>RON</b>	<b>RON</b>
Interest income on bank deposits	81,626	73,321
Gains on foreign exchange differences	106,731	-
<b>Total</b>	<b>188,357</b>	<b>73,321</b>

**FINANCE COST**

	<b>Period ended June 30, 2022</b>	<b>Period ended June 30, 2021</b>
	<b>RON</b>	<b>RON</b>
Bank interest and leases expenses	568,808	453,956
Bank commissions and assimilated charges	134,586	85,595
Loss on foreign exchange differences	-	506,574
<b>Total</b>	<b>703,394</b>	<b>1,046,125</b>

**PROFIT TAX**

	<b>Period ended June 30, 2022</b>	<b>Period ended June 30, 2021</b>
	<b>RON</b>	<b>RON</b>
Current profit tax expense	719,096	523,739
Deferred profit tax expense	-	-
<b>Total</b>	<b>719,096</b>	<b>523,739</b>



**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE PERIOD ENDED JUNE 30, 2022**

(all amounts are expressed in lei, unless specified otherwise)

	Land	Buildings	Plant and equipment	Installations and furniture	Tangible assets in progress and advances	Total
	RON	RON	RON	RON	RON	RON
<b>COST</b>						
<b>Balance as at January 01, 2022</b>	<b>44,725,838</b>	<b>20,892,549</b>	<b>120,314,075</b>	<b>760,217</b>	<b>2,017,738</b>	<b>188,710,417</b>
Additions, out of which:	-	1,181,935	295,945	58,055	2,213,317	3,749,253
Transfers	-	1,181,935	295,945	58,055	-	1,535,936
Disposals, out of which:	-	(53,471)	(206,666)	(7,081)	(2,199,699)	(2,466,918)
Transfers	-	-	-	-	(1,535,936)	(1,535,936)
<b>Balance as at June 30, 2022</b>	<b>44,725,838</b>	<b>22,021,014</b>	<b>120,403,354</b>	<b>811,191</b>	<b>2,031,356</b>	<b>189,992,753</b>
	Land	Buildings	Plant and equipment	Installations and furniture	Tangible assets in progress and advances	Total
	RON	RON	RON	RON	RON	RON
<b>DEPRECIATION</b>						
<b>Balance as at January 01, 2022</b>	-	<b>(2,603,514)</b>	<b>(79,089,008)</b>	<b>(450,020)</b>	-	<b>(82,142,542)</b>
Expenses with depreciation	-	(640,306)	(4,178,224)	(25,058)	-	(4,843,588)
Decrease from sale of assets	-	25,844	168,127	4,230	-	198,201
<b>Balance as at June 30, 2022</b>	-	<b>(3,217,976)</b>	<b>(83,099,105)</b>	<b>(470,848)</b>	-	<b>(86,787,929)</b>
<b>Net book value as at January 01, 2022</b>	<b>44,725,838</b>	<b>18,289,035</b>	<b>41,225,067</b>	<b>310,197</b>	<b>2,017,738</b>	<b>106,567,874</b>
<b>Net book value as at June 30, 2022</b>	<b>44,725,838</b>	<b>18,803,038</b>	<b>37,304,250</b>	<b>340,343</b>	<b>2,031,356</b>	<b>103,204,824</b>



**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE PERIOD ENDED JUNE 30, 2022**

(all amounts are expressed in lei, unless specified otherwise)

	<b>Licences</b>	<b>Other intangible assets</b>	<b>Total</b>
	<b>RON</b>	<b>RON</b>	<b>RON</b>
<b><i>COST</i></b>			
<b>Balance as at January 01, 2022</b>	<b>1,309,929</b>	<b>713,307</b>	<b>2,023,236</b>
Additions, out of which:	656	-	656
Transfers			0
Disposals, out of which:	(269,817)	-	(269,817)
Transfers			-
<b>Balance as at June 30, 2022</b>	<b>1,040,769</b>	<b>713,307</b>	<b>1,754,076</b>

	<b>Licences</b>	<b>Other intangible assets</b>	<b>Total</b>
	<b>RON</b>	<b>RON</b>	<b>RON</b>
<b><i>AMORTIZATION</i></b>			
<b>Balance as at January 01, 2022</b>	<b>(1,115,624)</b>	<b>(613,129)</b>	<b>(1,728,754)</b>
Expenses with amortization	(45,611)	(15,547)	(61,158)
Decrease from sale of assets	(269,816)	-	(269,816)
<b>Balance as at June 30, 2022</b>	<b>(891,420)</b>	<b>(628,677)</b>	<b>(1,520,096)</b>
			-
			-
<b>Net book value as at June 30, 2022</b>	<b>149,349</b>	<b>84,630</b>	<b>233,979</b>

**INVESTMENT PROPERTY**

	<b>30/06/2022</b>	<b>01/01/2022</b>
<b>Balance at the beginning of the period</b>	10,894,586	11,885,346
Total additions, out of which:	-	1,471,880
Revaluation increases	-	1,389,174
Total disposals, of which:	-	2,462,640
Revaluation decreases	-	11,256
<b>Balance at the end of the period</b>	<b>10,894,586</b>	<b>10,894,586</b>





**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE PERIOD ENDED JUNE 30, 2022**

(all amounts are expressed in lei, unless specified otherwise)

**INVESTMENTS IN SUBSIDIARIES, JOINT VENTURES AND ASSOCIATES**

Details on the Company's investments in subsidiaries and associates are as follows:

	<b>Activitatea de bază</b>	<b>Place of establishment and operations</b>	<b>30-iun-22</b>
			<b>RON</b>
RECYPLAT LTD CIPRU	Business and other management consultancy activities	Nicosia	20,261,120
RC ENERGO INSTALL SRL	Plumbing, heat and air conditioning installation (NACE code 4322)	Buzau	15,112
INFO TECH SOLUTIONS SRL	Other information technology and computer service activities (NACE code 6209)	Buzau	1,990
LIVING JUMBO INDUSTRY SA	Manufacture of plastic packing goods (NACE code 2222).	Buzau	6,477,632
GRINFILD LTD	Retail trade	Odessa	2,687,755
ECO PACK MANAGEMENT SA	Other business support service activities n.e.c. (NACE code 8299)	Buzau	586,625
YENKI SRL	Activities of sports facilities (NACE code 9311)	Buzau	100,000
KANG YANG BIOTECHNOLOGY CO. LTD	Manufacture of products beneficial for the human health	Taiwan	203,963
REGISTRUL MIORITA SA	Other financial service activities, except insurance and pension funding n.e.c (NACE code 6499)	Cluj	5,000
VIITORUL INCEPE AZI (VIA)	NGO	Buzau	1,000
<b>Total Cost</b>			<b><u>30,340,198</u></b>
<b>Adjustments of impairment</b>			
GRINFILD LTD			(2,687,755)
LIVING JUMBO INDUSTRY SA			(6,477,632)
ECO PACK MANAGEMENT SA			(554,263)
YENKI SRL			(11,988)
<b>Total adjustments</b>			<b><u>(9,731,638)</u></b>
<b>NET BOOK VALUE</b>			<b><u>20,608,560</u></b>

**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE PERIOD ENDED JUNE 30, 2022**

(all amounts are expressed in lei, unless specified otherwise)

**CURRENT INVENTORIES**

	<b>30/06/2022</b>	<b>01/01/2022</b>
	<b>RON</b>	<b>RON</b>
Raw materials	15,819,079	16,589,873
Consumables	3,894,305	3,336,223
Items of inventory	94,650	127,527
Packaging	329,263	281,504
Finished products	7,266,623	5,162,842
Unfinished products	3,082,858	1,953,919
Semi-finished products	1,211,922	881,607
Residual products	12,355	33,564
Commodities	915,394	594,784
Advances for purchases of inventory	21,014	401,601
Allowance for obsolete inventories	(1,715,929)	(1,715,929)
<b>Total</b>	<b>30,931,534</b>	<b>27,647,515</b>

**TRADE AND OTHER RECEIVABLES**

	<b>30/06/2022</b>	<b>01/01/2022</b>
	<b>RON</b>	<b>RON</b>
Trade receivables	69,117,332	58,097,359
Allowances for doubtful clients	(1,232,740)	(1,232,740)
Taxes to recovered	485,519	503,644
Other receivables	93,520	94,411
Subsidies receivable	479	479
<b>Total</b>	<b>68,464,110</b>	<b>57,463,153</b>

**OTHER CURRENT FINANCIAL ASSETS**

	<b>30/06/2022</b>	<b>01/01/2022</b>
	<b>RON</b>	<b>RON</b>
Loans granted to related parties	1,231,700	1,231,700
Interest related to loans granted to related parties	67,210	33,617
<b>Total</b>	<b>1,298,910</b>	<b>1,265,317</b>

**OTHER CURRENT NON-FINANCIAL ASSETS**

	<b>30/06/2022</b>	<b>01/01/2022</b>
	<b>RON</b>	<b>RON</b>
Prepaid expenses	2,243,593	1,755,931
Advances to services suppliers	148,569	431,347
<b>Total</b>	<b>2,392,162</b>	<b>2,187,278</b>



**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE PERIOD ENDED JUNE 30, 2022**

(all amounts are expressed in lei, unless specified otherwise)

**CASH ON HAND AND AT BANKS**

	<b>30/06/2022</b>	<b>01/01/2022</b>
	<b>RON</b>	<b>RON</b>
Cash at banks	6,329,362	12,489,119
Cash on hand	30,281	25,117
Cash equivalents	136,909	284,141
<b>Total</b>	<b>6,496,552</b>	<b>12,798,377</b>

**NON-CURRENT ASSETS OR DISPOSAL GROUPS CLASSIFIED AS HELD FOR SALE OR AS HELD FOR DISTRIBUTION TO OWNERS**

	<b>30/06/2022</b>	<b>01/01/2022</b>
	<b>RON</b>	<b>RON</b>
<b>Balance at the beginning of the period</b>	3,760,155	70,845
Total additions, out of which:	-	3,689,310
Transfers from investment property and tangible assets	-	757,273
Revaluation increases	-	-
Total disposals, of which:	-	-
Revaluation decreases	-	-
<b>Balance at the end of the period</b>	<b>3,760,155</b>	<b>3,760,155</b>

**ISSUED CAPITAL**

	<b>30/06/2022</b>	<b>01/01/2022</b>
	<b>RON</b>	<b>RON</b>
264,122,096 fully paid ordinary shares. The value of one share is lei 0.1	26,412,210	26,412,210
Inflation effect according to IAS 29	-	-
<b>Total</b>	<b>26,412,210</b>	<b>26,412,210</b>

**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE PERIOD ENDED JUNE 30, 2022**

(all amounts are expressed in lei, unless specified otherwise)

	June 30, 2022		December 31, 2021	
	No. of shares	% holding	No. of shares	% holding
Living Plastic Industry SRL	86,774,508	32.85%	86,774,508	32.85%
Joyful River Limited Loc, Nicosia CYP	54,195,089	20.52%	54,195,089	20.52%
Toderita Stefan Alexandru	32,500,000	12.30%	30,600,000	11.59%
Other legal entities	11,773,781	4.46%	11,613,182	4.40%
Other natural persons	78,878,718	29.86%	80,939,317	30.64%
<b>Total</b>	<b>264,122,096</b>	<b>100%</b>	<b>264,122,096</b>	<b>100%</b>

**RETAINED EARNINGS**

	30/06/2022	01/01/2022
<b>Balance at the beginning of the period</b>	<b>47,008,179</b>	<b>50,151,453</b>
Net profit	4,058,675	(1,447,458)
Transfer to legal reserves	-	-
Transfer to other reserves	-	-
Transfers from revaluation reserves	252,295	945,404
Dividend allocation	(2,641,221)	(2,641,221)
<b>Balance at the end of the period</b>	<b>48,677,929</b>	<b>47,008,179</b>

**RESERVES**

	30/06/2022	01/01/2022
Legal reserves	4,176,971	4,176,971
Other reserves	15,656,698	15,656,698
Revaluation reserves	38,456,244	38,708,540
<b>Total</b>	<b>58,289,913</b>	<b>58,542,209</b>

**REVALUATION RESERVES**

	30/06/2022	01/01/2022
<b>Balance at the beginning of the period</b>	<b>38,708,541</b>	<b>39,632,928</b>
Increases from revaluation of property, plant and equipment	-	-
Decreases from revaluation of property, plant and equipment	-	-
Transfer of reserves to retained earnings	(252,296)	(945,404)
Adjustment of deferred tax on fiscally non- deductible revaluation reserves	-	21,017
<b>Balance at the end of the period</b>	<b>38,456,245</b>	<b>38,708,541</b>



**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE PERIOD ENDED JUNE 30, 2022**

(all amounts are expressed in lei, unless specified otherwise)

**BORROWINGS (OTHER FINANCIAL  
LIABILITIES)**
**Borrowings – Short term**

	<b>30/06/2022</b>	<b>01/01/2022</b>
	<b>RON</b>	<b>RON</b>
Investmen loan Euro II - BRD	205,981	515,237
Investmen loan Euro III - BRD	-	65,055
UniCredit Bank (credit line)	23,490,319	23,347,205
Eximbank SA (credit line)	12,422,828	12,290,542
UniCredit Bank - Investment loan - CCE 2015	2,151,249	2,152,424
Investment loan I - Eximbank SA	-	420,086
Investment loan II - Eximbank SA	298,416	596,833
Investment loan VI - UniCredit Bank	364,669	341,069
Inventories purchase facility - UniCredit Bank - I	8,060,525	7,131,743
Inventories purchase facility - UniCredit Bank - II	1,551,389	-
<b>Total</b>	<b>48,545,377</b>	<b>46,860,194</b>

**BORROWINGS (OTHER FINANCIAL  
LIABILITIES)**
**Borrowings – Long term**

	<b>30/06/2022</b>	<b>01/01/2022</b>
	<b>RON</b>	<b>RON</b>
UniCredit Bank - Investment loan - CCE 2015	1,681,039	2,758,169
Investment loan VI - UniCredit Bank	1,094,008	1,259,421
<b>Total</b>	<b>2,775,047</b>	<b>4,017,590</b>

**OTHER NON-FINANCIAL LIABILITIES**
**- SUBSIDIES**

	<b>30/06/2022</b>	<b>01/01/2022</b>
Grants – project co-funded by European funds for 2011	2,840,076	3,375,688
Grants – project co-funded by European funds for 2015	6,909,577	7,503,691
Grants – project co-funded by European funds for 2022	300,230	0
<b>Subtotal subsidies</b>	<b>10,049,884</b>	<b>10,879,379</b>

**- OTHER LIABILITIES**

	<b>30/06/2022</b>	<b>01/01/2022</b>
Liabilities to employees	1,388,337	1,096,338
Liabilities related to social contributions	1,033,206	583,755
Other tax liabilities	1,119,221	329,676
Advance income	249,329	-
<b>Subtotal other liabilities</b>	<b>3,790,093</b>	<b>2,009,769</b>

**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE PERIOD ENDED JUNE 30, 2022**

(all amounts are expressed in lei, unless specified otherwise)

**Total Other non-financial liabilities, out of which:**

- Short-term liabilities
- Long-term liabilities

	<b>13,839,977</b>	<b>12,889,148</b>
	6,049,544	4,269,220
	7,790,433	8,619,928

**TRADE PAYABLES AND OTHER PAYABLES**

	<b>30/06/2022</b>	<b>01/01/2022</b>
	<b>RON</b>	<b>RON</b>
Trade payables	32,471,896	33,458,585
Other payables	2,755,584	109,519
Suppliers invoices not received	675,364	556,958
Advances from clients	3,247,218	3,036,848
<b>Total</b>	<b>39,150,062</b>	<b>37,161,910</b>



**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE PERIOD ENDED JUNE 30, 2022**

(all amounts are expressed in lei, unless specified otherwise)

**TRANZACTIIONS WITH AFFILIATES**

Denumire societate	Sales of goods and services		Purchases of goods and services		Amounts to be received from affiliates		Amounts to be paid to affiliates	
	6 Months of 2021	6 Months of 2022	6 Months of 2021	6 Months of 2022	December 31, 2021	June 30, 2022	December 31, 2021	June 30, 2022
ECO PACK MANAGEMENT SA	3,185	0	0	0	0	0	29,442	29,442
INFO TECH SOLUTIONS S.R.L.	12,243	16,324	408,839	284,429	0	8,862	97,566	130,818
LIVINGJUMBO INDUSTRY SA	32,038,402	31,339,526	628,431	720,059	34,158,899	40,299,949	618,119	348,221
RC ENERGO INSTALL SRL	47,033	63,691	1,347,247	1,389,850	0	8,878	296,645	72,704
<b>TOTAL</b>	<b>32,100,863</b>	<b>31,419,540</b>	<b>2,384,516</b>	<b>2,394,338</b>	<b>34,158,900</b>	<b>40,317,688</b>	<b>1,041,772</b>	<b>581,186</b>

Note : As at June 30, 2022 the Company has to receive from its subsidiary, RC Energo Install SRL, the amount of RON 1,231,700 representing a loan granted to the subsidiary whose maturity is June 2023



**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE PERIOD ENDED JUNE 30, 2022**

(all amounts are expressed in lei, unless specified otherwise)

The economic-financial performance of SC Romcarbon SA during the reporting period can be evaluated in the light of the following indicators:

<b>Indicator</b>	<b>Formula</b>	<b>30.06.2020</b>	<b>30.06.2021</b>	<b>30.06.2022</b>
EBIT	Gross profit + Profit tax + Expenses with interest	657,564	4,268,745	5,346,579
<i>EBITDA</i>	<i>EBIT + Depreciation - Subsidies for investments</i>	4,653,191	8,138,189	9,121,601
EBITDA to sales ratios	EBITDA/Sales	5.16%	6.54%	6.72%
EBITDA to Equity	EBITDA/Equity	3.40%	5.86%	6.73%
Gross profit ratio	Gross profit/Sales	0.05%	3.05%	3.52%
Current liquidity	Current assets/Current liabilities	1.11	1.15	1.21
Quick liquidity	(Current assets- Inventories)/Current liabilities	0.79	0.83	0.88
Non-current liabilities to Equity	Non-current liabilities/Equity	22%	16%	14%
Total liabilities to Assets	Total liabilities/Total Assets	43%	42%	45%
Interest coverage ratio	EBIT/Interest expenses	1	9	9
Receivables rotation (days)	Average receivables/Sales	93	69	83
Payables rotation (days)	Average payables/Sales	46	44	51
Return on Assets(ROA)	Net profit/Assets	-0.02%	1.36%	1.63%
Return on Equity(ROE)	Net profit/Equity	-0.03%	2.36%	2.99%
Return on Sales(ROS)	Net profit/Sales	-0.04%	2.63%	2.99%

The condensed interim Standalone financial statements have been authorized by the Board of Directors to be issued on August 12, 2022.

**PREPARED BY,**

**HUANG LIANG NENG**

Chairman of the Board  
and  
General Manager

**VIORICA ZAINESCU**

Financial Manager

**CARMEN MANAILA**

Deputy General Manager  
for Administrative  
operations







**BOARD OF DIRECTORS' REPORT**  
REGARDING THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS  
FOR THE PERIOD ENDED JUNE 30, 2022



## BOARD OF DIRECTORS REPORT REGARDING THE CONSOLIDATED FINANCIAL STATEMENTS

### MAIN INDICATORS OF THE REPORT

Indicator	6 Months of 2020	6 Months of 2021	6 Months of 2022		2022 vs 2021	
Revenue (Sales)	126,910,421	154,935,051	187,521,178	▲	32,586,127	21%
Other income	2,586,718	2,910,373	7,699,334	▲	4,788,961	165%
Share of profit / loss of associates	(2,308,339)	2,366,339	2,957,723	▲	591,385	25%
EBITDA	5,203,761	11,455,924	17,741,055	▲	6,285,132	55%
<b>EBITDA Operational</b>	<b>8,366,530</b>	<b>9,825,994</b>	<b>14,940,360</b>	▲	<b>5,114,366</b>	<b>52%</b>
Net profit	(1,641,836)	4,503,356	10,329,682	▲	5,826,326	129%
<b>Net profit without the impact of Share of profit / loss of associates [Green-Group]</b>	<b>666,504</b>	<b>2,137,017</b>	<b>7,371,958</b>	▲	<b>5,234,941</b>	<b>245%</b>
Non-Current assets	189,352,814	178,046,798	164,935,343	▼	(13,111,455)	-7%
Current assets	96,764,098	108,380,938	148,179,479	▲	39,798,541	37%
Total Equity	137,581,392	141,611,864	146,653,769	▲	5,041,905	4%
Total Liabilities	148,535,520	144,815,873	166,461,053	▲	21,645,180	15%
Cash and cash equivalents	11,943,352	8,541,186	12,593,245	▲	4,052,059	47%
Debt ratio	52%	51%	53%	▲	0	5%
Current liquidity	97%	102%	106%	▲	0	4%

The main indicators of the Statement of profit or loss registered by the two major companies of the Group, Romcarbon SA and Livingjumbo Industry SA, according to their Standalone Financial Statements.

#### ROMCARBON SA

Indicator (6 Months)	A.2020	A.2021	A.2022	A.2022 vs. A.2021	
TURNOVER	90,204,760	124,386,707	135,777,169	11,390,462	9%
EBITDA Operational	5,596,014	8,650,964	9,117,851	466,887	5%
NET PROFIT	(35,940)	3,270,977	4,058,675	787,699	24%

#### From EBITDA Operational to Net Profit

Indicator (6 Months)	A.2020	A.2021	A.2022	A.2022 vs A.2021	
<b>EBITDA OPERATIONAL</b>	<b>5,596,014</b>	<b>8,650,964</b>	<b>9,117,851</b>	<b>466,887</b>	<b>5%</b>
Fixed assets depreciation	(5,126,978)	(4,999,169)	(4,904,747)	94,422	-2%
Revenues from subsidy from Government for investments	1,131,351	1,129,725	1,129,725	-	0%
Interest expenses	(613,370)	(474,029)	(568,808)	(94,779)	20%
Gain/loss from sales of assets	(234,171)	(267)	9,006	9,273	n/a
Other non-operational items(provisions, penalties, donations)	(108,936)	(99,332)	(230,379)	(131,047)	132%
Forex gain/loss	(632,289)	(506,573)	106,730	613,303	n/a
Other gain/loss from Financial	32,573	93,397	118,393	24,997	27%
Tax on profit	(80,135)	(523,739)	(719,096)	(195,357)	37%
<b>NET PROFIT</b>	<b>(35,940)</b>	<b>3,270,977</b>	<b>4,058,675</b>	<b>787,699</b>	<b>24%</b>



## LIVINGJUMBO INDUSTRY SA

Indicator (6 Months)	A.2020	A.2021	A.2022	A.2022 vs. A.2021	
TURNOVER	55,296,045	62,451,389	82,586,875	20,135,486	32%
EBITDA Operational	2,360,462	924,629	4,601,801	3,677,172	398%
NET PROFIT	111,505	(1,274,133)	2,385,186	3,659,318	-287%

From **EBITDA Operational** to **Net Profit**

Indicator (6 Months)	A.2020	A.2021	A.2022	A.2022 vs A.2021	
<b>EBITDA OPERATIONAL</b>	<b>2,360,462</b>	<b>924,629</b>	<b>4,601,801</b>	3,677,172	398%
Fixed assets depreciation	(2,492,891)	(2,366,854)	(2,396,720)	(29,866)	1%
Revenues from subsidy from Government for investments	776,400	743,120	743,120	-	0%
Interest expenses	(249,519)	(344,735)	(369,894)	(25,159)	7%
Gain/loss from sales of assets	(1,305)	-	-	-	0%
Other non-operational items(provisions, penalties, donations)	(30,204)	(16,937)	(37,834)	(20,898)	123%
Forex gain/loss	(228,796)	(191,859)	(127,722)	64,137	-33%
Other gain/loss from Financial	(22,643)	(21,497)	(27,565)	(6,068)	28%
<b>NET PROFIT</b>	<b>111,505</b>	<b>(1,274,133)</b>	<b>2,385,186</b>	<b>3,659,318</b>	<b>-287%</b>



**ACTIVITY OF THE GROUP**

As at June 30, 2022 ROMCARBON SA holds participations directly and/or indirectly in 11 entities:

Legal entity	30.06.2022		Consolidation method
	Interest	Control	
RECYPLAT LTD CIPRU	100.00%	100.00%	Global
RC ENERGO INSTALL SRL	100.00%	100.00%	Global
ECO PACK MANAGEMENT SA	25.36%	99.88%	Global
LIVINGJUMBO INDUSTRY SA	99.86%	99.86%	Global
INFOTECH SOLUTIONS SRL	99.50%	99.50%	Global
GRINFILD LLC UCRAINA	62.62%	62.62%	Global
GRINRUH LLC UCRAINA	62.62%	62.62%	Global
YENKI SRL	33.34%	33.34%	Equity method
REGISTRUL MIORITA SA	3.79%	3.79%	Outside the consolidation area
KANG YANG BIOTECHNOLOGY CO.LTD	1.95%	1.95%	Outside the consolidation area
NGO VIITORUL INCEPE AZI (VIA)	14.29%	16.80%	Outside the consolidation area

As at June 30, 2022, the Group holds indirect participations through Recyplat LTD in Romgreen Universal LTD and its subsidiaries as follows:

Company	30.06.2022	
	Interest	Control
<b>ROMGREEN UNIVERSAL LTD CIPRU</b>	<b>17.5879%</b>	<b>17.5879%</b>
GREENWEEE INTERNATIONAL SA	17.5879%	17.5879%
GREENTECH SA	17.5879%	17.5879%
GREENGLASS RECYCLING SA	12.3116%	12.3116%
GREENFIBER INTERNATIONAL SA	17.5879%	17.5879%
TOTAL WASTE MANAGEMENT SRL	17.5879%	17.5879%
GREEN RESOURCES MANAGEMENT S.A.	11.7259%	11.7259%
GREENTECH BALTIC UAB LITUANIA	17.5879%	17.5879%
ASOCIATIA ECOLOGICA GREENLIFE	17.5879%	17.5879%
GREENTECH SLOVAKIA S.R.O.(EKOLUMI S.R.O)	14.0704%	14.0704%
ELTEX RECYCLING SRL	17.5879%	17.5879%
CIRCULAR VENTURES SA	17.5879%	17.5879%

These companies have been included in the consolidated financial statements by using the equity method.

**PRESENTATION OF THE GROUP AND THE MAIN INDICATORS ACHIEVED IN 2022****PRESENTATION OF THE GROUP'S MEMBER COMPANIES**

As at June 30, 2022 the company was holding directly or through other subsidiaries, participating interest in the following entities:

RECYPLAT LTD is a company established in 2011, having a share capital of Lei 112,532 (EUR 26,000) wholly owned by SC Romcarbon SA. The company's main office is located in Akropoleos, 59-61, 3<sup>rd</sup> floor, Nicosia, Cyprus.

The company's main object of activity is the Conduct of activities and business of consultants, experts in all scientific fields, financial, administrative or otherwise, in relation to the setting up, operation, development and improvement of any business, industry, company, partnership or other organization.

RC ENERGO INSTALL S.R.L. is a company established in 2005, with a share capital of lei 2,000, fully owned by S.C. Romcarbon S.A. The company's main office is located in Buzău, Str. Transilvaniei, nr. 132. The company was established by outsourcing the maintenance and repair of heating, water installations, sewage and substations; the main object of activity is Plumbing, heat and air conditioning installation (NACE code 4322).



ECO PACK MANAGEMENT SA is a company established in 2010, with a share capital of lei 1,446,000, where SC Romcarbon SA directly holds 25.36% and 74.62% indirectly. The remaining shares are held by Romanian legal persons. The company's main office is located in Buzau, 132 Transilvaniei street, Granules Hall, room no.7, 2nd floor. The company's main object of activity is Other business support service activities n.e.c. (NACE code 8299). Starting with 10.12.2021, the company suspended his activity for a period of 3 years.

INFO TECH SOLUTIONS S.R.L. is a company established in 2005, with a share capital of lei 2,000, where S.C. Romcarbon S.A. holds 99.50% of the shares and the remaining shares are held by natural persons. The company's main office is located in Buzău, Str. Transilvaniei, nr. 132. The company was established by outsourcing the IT services and its main object of activity is Other information technology and computer service activities (NACE code 6209).

LIVINGJUMBO INDUSTRY S.A. is a company established in 2002, with a share capital of lei 5,644,800, where S.C. Romcarbon S.A. holds 99.86% of the shares and the remaining shares are held by Romanian legal persons. The company's main office is located in Buzău, Str. Transilvaniei, nr. 132. The company's main object of activity is Manufacture of plastic packing goods (NACE code 2222).

GRINFILD LLC UKRAINE is a company established in 2007, with a share capital of lei 4,312,062, where SC Romcarbon SA holds 62.62% of the shares and the remaining shares are held by foreign legal persons. The company's main office is located in Ukraine, Odessa region, Krijianivka locality, Str. Mikolayevska, Bl. 2. The company's main object of activity is wholesale. The company ceased its activity in 2012.

GRINRUH LLC UKRAINE is a company established in 2007, with a share capital of lei 4,426,809, where SC Romcarbon SA holds 62.62%. The company's main office is located in Ukraine, Odessa region, Krijianivka locality, Str. Mikolayevska, Bl. 2. The company's main object of activity is construction and wholesale. The company ceased its activity in 2012.

YENKI S.R.L. is a company established in 2007, with a share capital of lei 328,000, where S.C. Romcarbon S.A. holds 33.34% of the shares and the remaining shares are held by Romanian legal and natural persons. The company's main office is located at Soseaua Nordului, DN2, Buzău. The company's main object of activity is Operation of sports facilities (NACE code 9311).

Association 'VIITORUL INCEPE AZI (VIA)', established in accordance with GO no. 26/2000, is a non-governmental, non-profit and non-political organization; The association's mission is to improve the quality of technical professional training and development in the Buza area (Romania), to support and promote the interests and needs of its members in front of the authorities and/or various bodies, third parties.

The association was established in 2022 by 7 economic operators from Buzau - Voestalpine RAILWAY SYSTEMS ROMANIA SA, URBIS SERV SRL, LUCSOR IMPEX SRL, URSUS BREWERIES SA, ROMCARBON SA, BENCOMP SRL, GREENFIBER INTERNATIONAL SA - as founding members, with contribution equal in its patrimony and with equal right to vote in the General Assembly.

The association's assets, worth 7,000 lei, constituted by the membership contribution of the founding members.

ROMGREEN UNIVERSAL LTD Cyprus is a company established in 2011, with a share capital of lei 177,858 (EUR 39,800), where SC Romcarbon SA indirectly holds 17.5879% of the shares through Recyplat LTD Cyprus. The company's main office is located in 2 Prodromou & Dimitrakopoulou, 5th floor, 1090, Cyprus. The company's object of activity is the conduct of activities and business of consultants, experts in all scientific fields, financial, administrative or otherwise, in relation to the setting up, operation, development and improvement of any business, industry, company, partnership or other organization.

"Greenlife" Ecological Association, established in accordance with GO no. 26/2000, is a non-governmental, non-profit and non-political organization. The association's patrimony amounts to RON 1,200. The association's purpose is to represent, promote and support the employer and professional interests of its members in the relationship with public authorities and other legal and natural persons, to consolidate their authority and social renown and to act towards modernizing the developing the field regarding environmental protection according to the international rules and standards. Also, the association sets itself to promote human solidarity, by organizing and supporting humanitarian actions. The association was established by SC Greenfiber International SA, SC Greentech SA and SC Romcarbon SA as founding members, each holding 33.33% of its patrimony. In May 2020, SC Romcarbon SA resigned from its membership in this association, the place being taken over by SC Greenweee International SA. After this change, the indirect ownership of Romcarbon SA in the association is 17.59%.



GREENWEEE INTERNATIONAL SA is a company established in 2007, with a share capital of lei 28,827,300, where SC Romcarbon SA indirectly holds 17.5879% of the shares. The company's main office is located in Buzău, Comuna Tintesti, Str. Ferma Frasinu. The company's object of activity is Dismantling of wrecks for materials recovery (NACE code 3831).

*On 31.12.2019 GREENWEEE INTERNATIONAL SA (absorbing company) merged with GREENLAMP RECICLARE S.A. (absorbed company). As a result of the merger process, the share capital of GREENWEEE INTERNATIONAL SA increased from lei 26,212,300 to lei 28,827,300 , issuing 26,150 new shares with a nominal value of lei 100.*

GREENTECH SA is a company established in 2002, with a share capital of lei 4,649,117, where SC Romcarbon SA indirectly holds LTD 17.5879% of the shares. The company's main office is located in Buzău, Aleea Industriilor, nr. 17. The company's main object of activity is Recovery of sorted materials (NACE code 3832).

GREENFIBER INTERNATIONAL SA is a company established in 2004, with a share capital of lei 35,250,000, where SC Romcarbon SA indirectly holds 17.5879% of the shares. The company's main office is located in Buzău, Aleea Industriilor, nr. 17. The company's main object of activity is Manufacture of man-made fibres (NACE code 2060).

TOTAL WASTE MANAGEMENT SRL is a company established in 2005. In 2012, it changed its object of activity from Business and other management consultancy activities (NACE code 7022) to Collection of non-hazardous waste (NACE code 3811). The company's share capital is lei 19,442,580. The company's main office is located in Buzău, Str. Aleea Industriilor, nr. 17. As at the date of these financial statements, SC Romcarbon SA was indirectly holding 17.5879% of the share capital.

GREENGLASS RECYCLING SA is a company established in 2013, where SC Romcarbon SA indirectly holds 12.3116% of the shares. The remaining shares are held by natural and legal persons. The company's share capital is lei 6,750,000. The company's main office is located in Ilfov, Popești Leordeni Șos. OLTENIJEI 181, Corp Administrativ. The company's main object of activity is Recovery of sorted materials (NACE code 3832).

GREEN RESOURCES MANAGEMENT is a company established in 2016, having a share capital of lei 400,000 where SC Romcarbon SA indirectly holds 11.73%. The company's main office is located in Bucharest, sector 2, Barbu Vacarescu 164A Barbu Vacarescu stret, etaj 3, within Building C3 – Office Building, room 18-22. The company's main object of activity is Other business support service activities n.e.c. (NACE code 8299).

GREENTECH BALTIC UAB LITUANIA is a company established in 2016 where SC Romcarbon SA indirectly holds 17.5879%. The company's main office is located in Vilnius, Sandeliu g.16. The company's share capital is lei 8,444,696 (EUR 1,852,500). The company's object of activity is commercial, economic, financial and industrial activity.

GREENTECH SLOVAKIA S.R.O. (EKOLUMI s.r.o) is a company established in 2010 where SC Romcarbon SA indirectly holds 14.07% and the remaining shares are held by foreign natural persons. The company's share capital is lei 17,829,227 (EUR 3,705,000). The company's main office is located in Slovakia, Partizánska cesta 4634, Banská Bystrica. The company's object of activity is collection of non-hazardous waste (NACE code 3811).

ELTEX RECYCLING SRL is a company established in 2014 having a share capital of lei 50,000 where SC Romcarbon SA indirectly holds 17.5879%. The company's main office is located in Oradea, 5 Octavian Goga street. The company's object of activity is Treatment and disposal of non-hazardous waste (NACE code 3821).

In December 2020, Romgreen Universal LTD sold its holdings in GREENTECH DOO SERBIA and GRINTEH MK DOO MACEDONIA.

CIRCULAR VENTURES SA is a company established in 2022 having a share capital of lei 9,000 where SC Romcarbon SA indirectly holds 17.5879%. The company's main office is located in 165 Calea Floreasca, OneTower, 11 Floor, District 1, Bucuresti. The company's main object of activity is Other business support service activities n.e.c. (NACE code 8299).

In August 2021, the company GREENWEEE INTERNATIONAL HUNGARY KFT was deregistered from Hungarian business registers.



**ACTIVITY OF THE GROUP OF COMPANIES****PRESENTATION OF THE GROUP COMPANIES**

The following persons ensured the executive management of the group companies in 2022:

ROMCARBON SA – General Manager – Huang Liang Neng  
 RECYPLAT LTD CIPRU – Director – Nicos Avraamides  
 RC ENERGO INSTALL SRL – General Manager Duca Eugen Florin  
 ECO PACK MANAGEMENT SA –Sole administrator WEY, JIANN-SHYANG  
 INFO TECH SOLUTIONS SRL- General Manager Hristache Cornel  
 LIVINGJUMBO INDUSTRY SA – General Manager WU,HUI-TZU  
 GRINFILD LLC UCRAINA – The company has not been operating since 2012  
 GRINRUH LLC UCRAINA – The company has not been operating since 2012  
 YENKI SRL – Administrator Petre Romeo Florinel  
 ROMGREEN UNIVERSAL LTD CIPRU – Nicos Avraamides, Constantinos Chiotis, Grzegorz Adam Piejka, Nicolaos Koronis, Paulina Anna Pietkiewicz  
 GREENGLASS RECYCLING SA – General Manager Costache Iulian Marius  
 GREENWEEE INTERNATIONAL SA – General Manager Costache Iulian Marius  
 TOTAL WASTE MANAGEMENT SRL – Administrators – Genes Alina Elena, Stanculescu Adrian, Enache Pommer Matei  
 GREENTECH SA General Manager Genes Alina Elena  
 GREENFIBER INTERNATIONAL SA – General Manager Genes Alina Elena  
 GREENWEEE INTERNATIONAL SA – General Manager Costache Marius Iulian  
 GREEN RESOURCES MANAGEMENT S.A – General Manager –Bratu Constantin  
 GREENTECH BALTIC UAB LITUANIA – Administrator VLADAS VENSKUTONIS  
 GREENTECH SLOVAKIA S.R.O. – Administrators – Michal Figur, Lukas Cierny  
 ELTEX RECYCLING SRL – Administrators – Marin Georgian Ionut, Bartha Zoltan, Costache Marius Iulian  
 CIRCULAR VENTURES SA – Administrators – Costache Marius Iulian, Vorosciuc Gabriela, Stoica Serban Andrei

**ACTIVITY OF THE GROUP OF COMPANIES**

The evolution of the subsidiaries' contribution to the consolidated net profit of the group in 2022 is presented in the table below:

Subsidiary	Result 6 Months of 2021 (in lei)	Result 6 Months of 2022 (in lei)	2022 vs 2021
Romcarbon SA	3,270,977	4,058,675	787,698
Living Jumbo Industry SA	(1,274,133)	2,385,186	3,659,318
RC Energo Install SRL	170,158	936,597	766,439
Infotech Solutions SRL	37,485	71,026	33,541
Recyplat Ltd Cipru	(173)	(173)	(0)
Eco Pack Management SA	(8,453)	(1,407)	7,046
Consolidation adjustments <sup>1</sup>	2,307,496	2,879,781	572,284
<b>Total</b>	<b>4,503,358</b>	<b>10,329,684</b>	<b>5,826,326</b>

<sup>1</sup> Consolidation adjustments

Consolidation adjustments	Result 6 Months of 2021 (in lei)	Result 6 Months of 2022 (in lei)	2022 vs 2021
Elimination of the unrealized profit related to the raw material inventories and fixed assets from the Group companies	(58,844)	(77,943)	(19,098)
Share of the profit of the associates (Romgreen Universal LTD)	2,366,339	2,957,723	591,385
Corrections	2	-	(2)
<b>Total Adjustments</b>	<b>2,307,496</b>	<b>2,879,781</b>	<b>572,284</b>

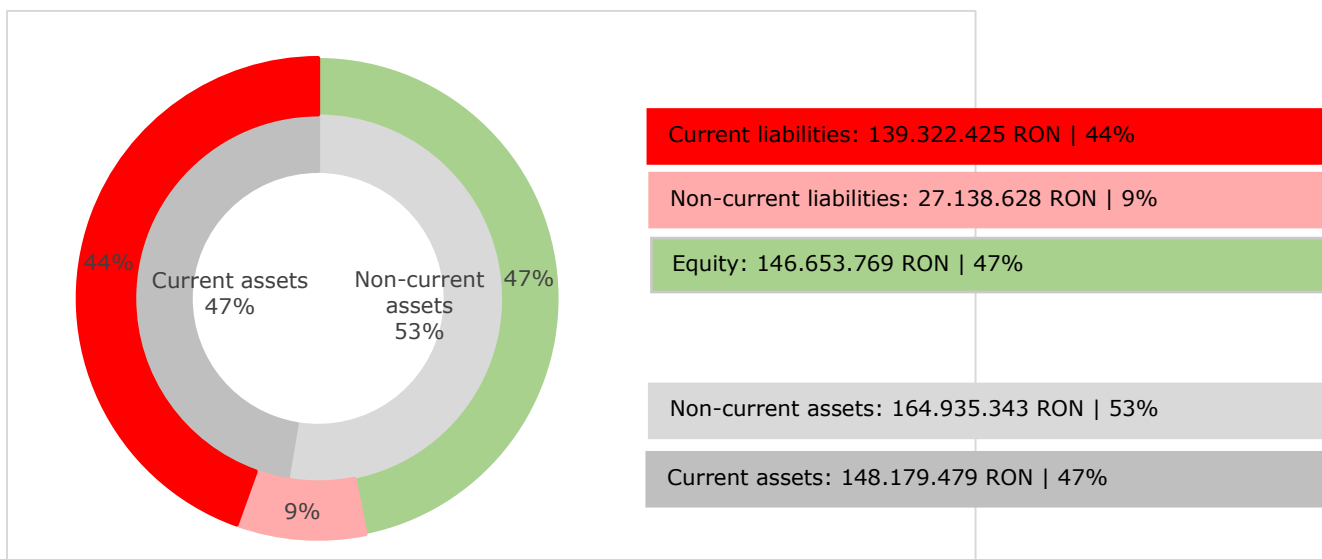
## FINANCIAL STATEMENTS

## A.) STATEMENT OF THE FINANCIAL POSITION

Indicator	30/06/2021	31/12/2021	30/06/2022	30.06.22 vs. 31.12.21	
Property, plant and equipment	138,584,406	132,497,914	127,160,130	-5,337,784	▼ -4.03%
Investment property	11,885,346	10,894,586	10,894,586	0	— 0.00%
Goodwill	143,461	143,461	143,461	0	▲ 0.00%
Intangible assets other than goodwill	300,679	298,466	256,851	-41,615	▼ -13.94%
Investments accounted for using equity method	26,835,942	23,324,617	26,282,341	2,957,724	▲ 12.68%
Investments in subsidiaries, joint ventures and associates	196,964	196,974	197,974	1,000	▲ 0.51%
Other non-current financial assets	100,000	0	0	0	— n/a
<b>Total non-current assets</b>	<b>178,046,798</b>	<b>167,356,018</b>	<b>164,935,343</b>	<b>-2,420,675</b>	<b>▼ -1.45%</b>
Current inventories	44,513,865	54,803,659	66,519,860	11,716,201	▲ 21.38%
Trade and other current receivables	52,669,439	52,981,338	62,610,793	9,629,455	▲ 18.18%
Other current financial assets	181,047	617,902	169,078	-448,824	▼ -72.64%
Other current non-financial assets	2,404,556	4,621,551	2,526,348	-2,095,203	▼ -45.34%
Cash and cash equivalents	8,541,186	17,596,893	12,593,245	-5,003,648	▼ -28.43%
Non-current assets classified as held for sale	70,845	3,760,155	3,760,155	0	— 0.00%
<b>Total current assets</b>	<b>108,380,938</b>	<b>134,381,497</b>	<b>148,179,479</b>	<b>13,797,982</b>	<b>▲ 10.27%</b>
<b>ASSETS</b>	<b>286,427,736</b>	<b>301,737,515</b>	<b>313,114,822</b>	<b>11,377,307</b>	<b>▲ 3.77%</b>
Issued capital	26,412,210	26,412,210	26,412,210	0	▼ 0.00%
Share premium	2,182,283	2,182,283	2,182,283	0	— 0.00%
Reserves	60,919,830	60,227,360	59,975,060	-252,300	▼ -0.42%
Retained earnings	51,180,503	49,182,732	57,164,952	7,982,220	▲ 16.23%
Equity attributable to equity holders of the parent	140,694,826	138,004,585	145,734,505	7,729,920	▲ 5.60%
Non-controlling interests	917,038	915,581	919,264	3,683	▲ 0.40%
<b>Total equity</b>	<b>141,611,864</b>	<b>138,920,166</b>	<b>146,653,769</b>	<b>7,733,603</b>	<b>▲ 5.57%</b>
Other non-current provisions	446,038	659,623	659,623	0	— 0.00%
Deferred tax liabilities	7,857,468	8,012,574	8,012,574	0	— n/a
Other non-current financial liabilities	12,673,743	7,623,547	4,023,471	-3,600,076	▼ -47.22%
Other non-current non-financial liabilities	17,888,421	16,015,575	14,442,960	-1,572,615	▼ -9.82%
<b>Total non-current liabilities</b>	<b>38,865,670</b>	<b>32,311,319</b>	<b>27,138,628</b>	<b>-5,172,691</b>	<b>▼ -16.01%</b>
Trade and other current payables	42,098,363	55,224,664	54,384,648	-840,016	▼ -1.52%
Other current financial liabilities	54,515,121	67,635,179	75,434,713	7,799,534	▲ 11.53%
Other current non-financial liabilities	9,336,720	7,646,187	9,503,064	1,856,877	▲ 24.29%
<b>Total current liabilities</b>	<b>105,950,203</b>	<b>130,506,031</b>	<b>139,322,425</b>	<b>8,816,394</b>	<b>▲ 6.76%</b>
<b>Total liabilities</b>	<b>144,815,873</b>	<b>162,817,349</b>	<b>166,461,053</b>	<b>3,643,704</b>	<b>▲ 2.24%</b>
<b>TOTAL EQUITY AND LIABILITIES</b>	<b>286,427,736</b>	<b>301,737,515</b>	<b>313,114,822</b>	<b>11,377,307</b>	<b>▲ 3.77%</b>



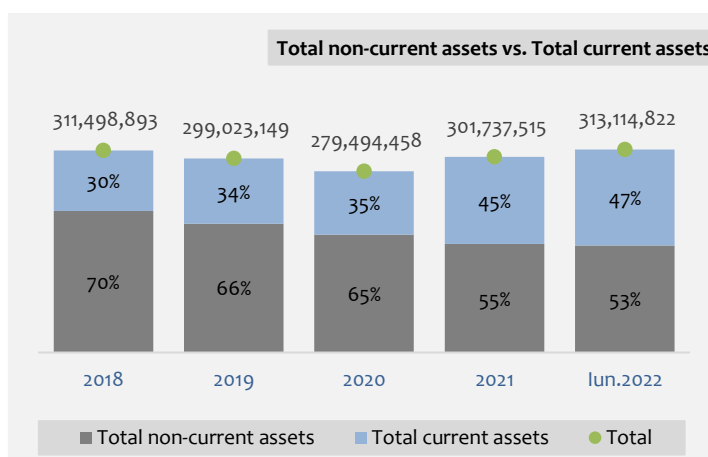
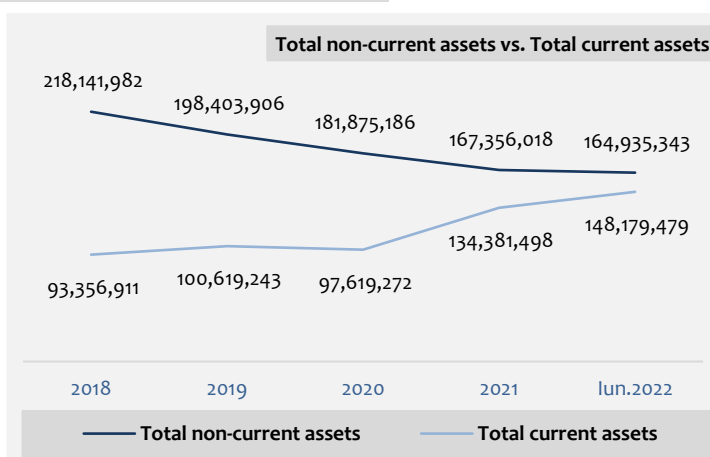
## STRUCTURE OF THE FINANCIAL POSITION AS AT 30.06.2022



The participation of the consolidated companies in the indicators of the Statement of Financial Position in 2022 is presented in the table below

Company	Non-current assets	Current assets	Non-current liabilities	LEI
				Current liabilities
Romcarbon SA	134,941,949	113,343,423	18,978,054	93,744,983
Livingjumbo Industry SA	25,097,998	65,502,191	8,160,574	81,714,895
RC Energo Install SRL	87,329	10,077,060	0	4,998,675
InfoTech Solutions SRL	50,387	405,539	0	132,456
Grinfild Ucraina	4,426,809	8,614	0	879,485
Grinruh Ucraina	1,186,187	1,007,788	0	6,728
Recyplat LTD	20,607,507	6,809	0	0
Eco Pack Management SA	28,751	164,140	0	868,928
Consolidation adjustments	(21,491,574)	(42,336,084)	0	(43,023,726)
<b>Total</b>	<b>164,935,343</b>	<b>148,179,479</b>	<b>27,138,628</b>	<b>139,322,425</b>

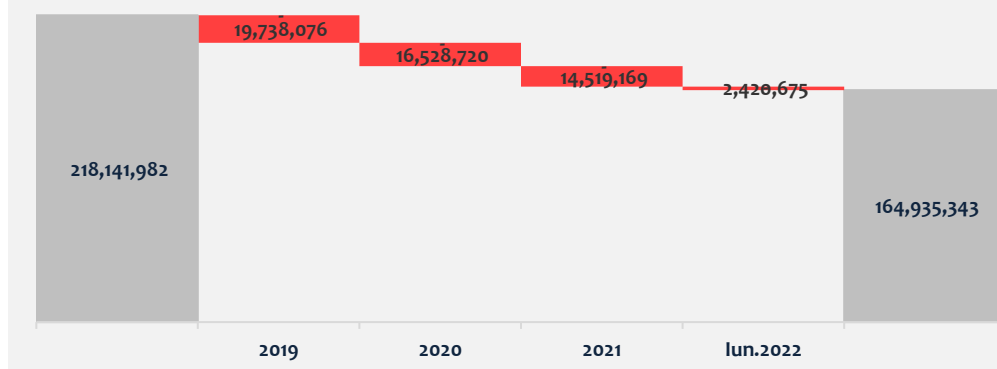
## ASSETS



**NON-CURRENT ASSETS**

**Non-current assets** have a weight in Total Assets of 52.68% recording a decrease of - LEI 2,420,675, i.e. - 1.45%, as compared with the beginning of the year.

Evolution of the item Total non-current assets in the period 2018-2022

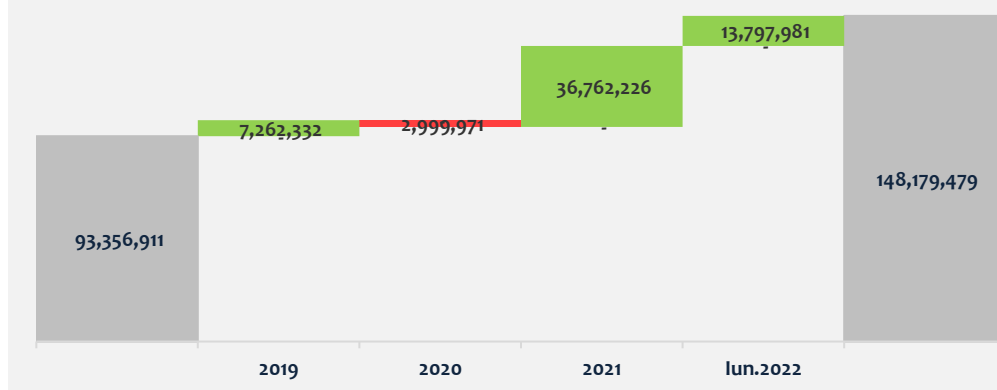


Non-current assets (lei)	30/06/2022	% in total NCA	% in total Assets	30.06.22 vs. 31.12.21
Property, plant and equipment	127,160,130	77.10%	40.61%	-4.03%
Investment property	10,894,586	6.61%	3.48%	0.00%
Goodwill	143,461	0.09%	0.05%	0.00%
Intangible assets other than goodwill	256,851	0.16%	0.08%	-13.94%
Investments accounted for using equity method	26,282,341	15.93%	8.39%	12.68%
Investments in subsidiaries, joint ventures and associates	197,974	0.12%	0.06%	0.51%
<b>Total non-current assets</b>	<b>164,935,343</b>	<b>100.00%</b>	<b>52.68%</b>	<b>-1.45%</b>

**CURRENT ASSETS**

**Current assets** have a weight in Total Assets of 47.32% recording an increase of LEI 13,797,982, i.e. 10.27%, as compared with the beginning of the year.

Evolution of the item Total current assets in the period 2018-2022

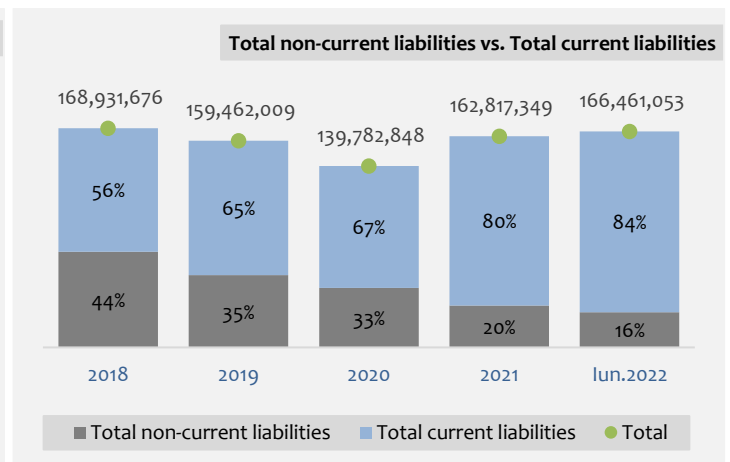
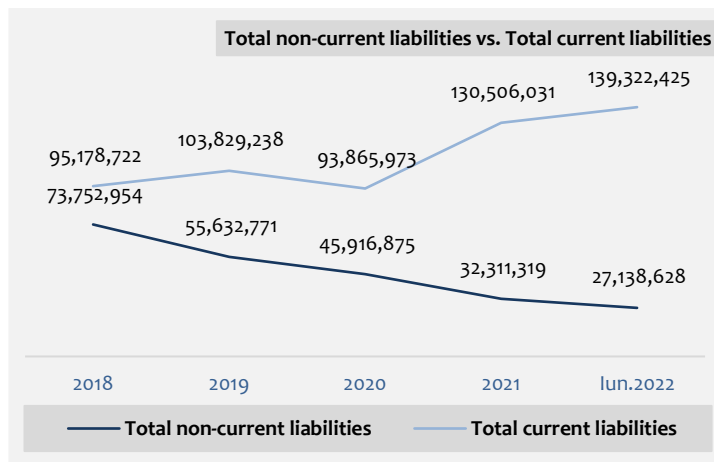


Current assets (lei)	30/06/2022	% in total CA	% in Total Assets	30.06.22 vs. 31.12.21
Current inventories	66,519,860	40.33%	21.24%	21.38%
Trade and other current receivables	62,610,793	37.96%	20.00%	18.18%
Other current financial assets	169,078	0.10%	0.05%	-72.64%
Other current non-financial assets	2,526,348	1.53%	0.81%	-45.34%
Cash and cash equivalents	12,593,245	7.64%	4.02%	-28.43%
Non-current assets classified as held for sale	3,760,155	2.28%	1.20%	0.00%
<b>Total current assets</b>	<b>148,179,479</b>	<b>89.84%</b>	<b>47.32%</b>	<b>10.27%</b>

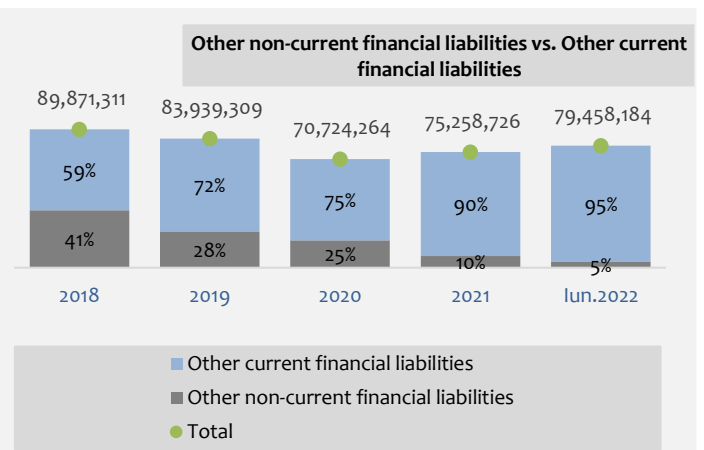
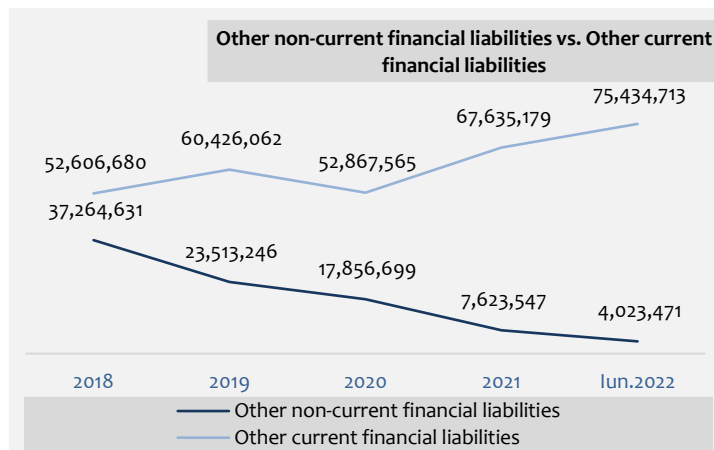


## LIABILITIES

**Total Liabilities** hold 53.16% of the Group's Equity&Liabilities recording an increase of Lei 3,643,704, i.e. 2.24%, as compared with the beginning of the year.



## BORROWINGS



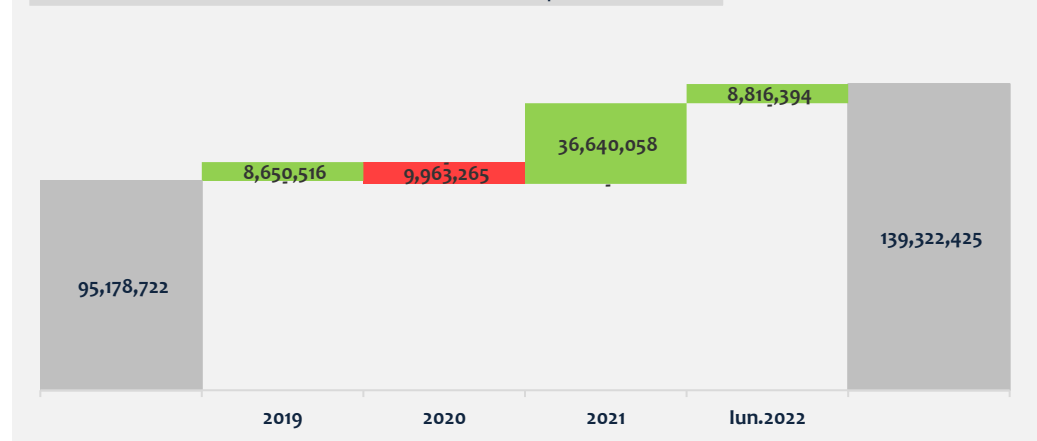
## BORROWINGS

Company	31.12.2021	30.06.2022	2022 vs 2021
<b>Romcarbon, total, out of which:</b>	50,877,784	51,320,424	442,640
< 12 months	46,860,194	48,545,377	1,685,184
> 12 months	4,017,591	2,775,047	- 1,242,544
<b>LivingJumbo Industry, total, out of which:</b>	20,111,839	25,628,835	5,516,995
< 12 months	17,193,383	24,380,411	7,187,028
> 12 months	2,918,456	1,248,424	- 1,670,032
<b>Energoinstall, total, out of which:</b>	4,269,102	2,508,925	- 1,760,177
< 12 months	3,581,602	2,508,925	- 1,072,677
> 12 months	687,500	-	- 687,500
<b>Total borrowings, out of which:</b>	<b>75,258,726</b>	<b>79,458,184</b>	<b>4,199,458</b>
< 12 months	67,635,179	75,434,713	7,799,534
> 12 months	7,623,547	4,023,471	- 3,600,076

**CURRENT LIABILITIES**

**Current liabilities of the Group** have a weight in Total Liabilities of 83.70% and in Total Equity and Liabilities of 44.50% recording an increase of LEI 8,816,394, i.e. 6.76%, as compared with the beginning of the year.

Evolution of the item Total current liabilities in the period 2018-2022

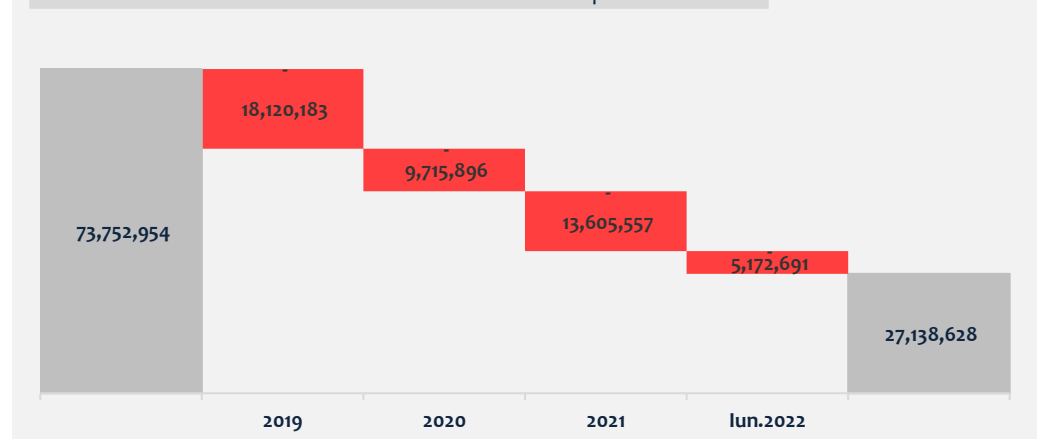


Current liabilities (lei)	30/06/2022	% in total liabilities	% in Total Current liabilities	% in Total Equity and liabilities	30.06.22 vs. 31.12.21
Trade and other current payables	54,384,648	32.67%	39.04%	17.37%	-1.52%
Other current financial liabilities	75,434,713	45.32%	54.14%	24.09%	11.53%
Other current non-financial liabilities	9,503,064	5.71%	6.82%	3.04%	24.29%
<b>Total current liabilities</b>	<b>139,322,425</b>	<b>83.70%</b>	<b>100.00%</b>	<b>44.50%</b>	<b>6.76%</b>

**NON-CURRENT LIABILITIES**

**Non-current liabilities** have a weight in Total Equity and Liabilities of 8.67% recording a decrease of - LEI 5,172,691, i.e. -16.01%, as compared with the beginning of the year.

Evolution of the item Total non-current liabilities in the period 2018-2022

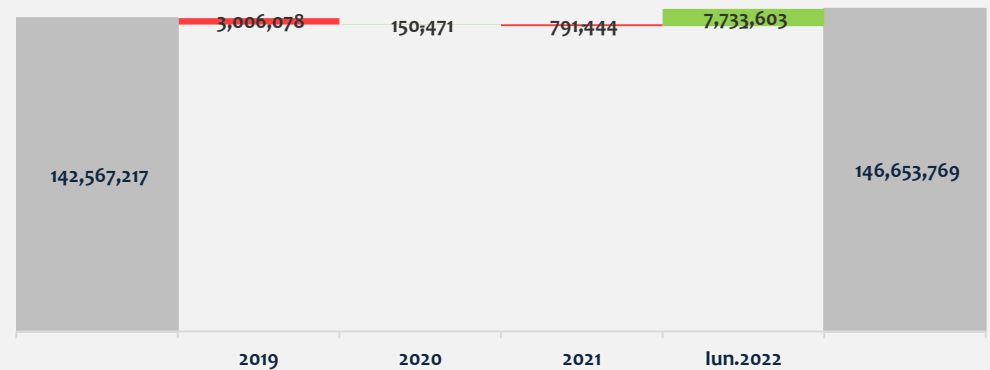


Non-current liabilities (lei)	30/06/2022	% in total liabilities	% in Total Non-current liabilities	% in Total Equity and liabilities	30.06.22 vs. 31.12.21
Other non-current provisions	659,623	0.40%	2.43%	0.21%	0.00%
Deferred tax liabilities	8,012,574	4.81%	29.52%	2.56%	0.00%
Other non-current financial liabilities	4,023,471	2.42%	14.83%	1.28%	-47.22%
Other non-current non-financial liabilities	14,442,960	8.68%	53.22%	4.61%	-9.82%
<b>Total non-current liabilities</b>	<b>27,138,628</b>	<b>16.30%</b>	<b>100.00%</b>	<b>8.67%</b>	<b>-16.01%</b>

**EQUITY**

**The Equity** have a weight in Total Equity and Liabilities of 46.84% recording an increase of LEI 7,733,603, i.e. 5.57%, as compared with the beginning of the year.

Evolution of the item Total equity in the period 2018-2022



Equity (lei)	30/06/2022	30.06.22 vs 31.12.21
Issued capital	26,412,210	0.00%
Share premium	2,182,283	0.00%
Reserves	59,975,060	-0.42%
Retained earnings	57,164,952	16.23%
<b>Equity attributable to equity holders of the parent</b>	<b>145,734,505</b>	<b>5.60%</b>
Non-controlling interests	919,264	0.40%
<b>Total Equity</b>	<b>146,653,769</b>	<b>5.57%</b>



## B.) STATEMENT OF THE COMPREHENSIVE INCOME

Indicator (lei)	6 Months of 2020	6 Months of 2021	6 Months of 2022		2022 vs.2021	
Revenue	126,910,421	154,935,051	187,521,178	▲	32,586,127	21%
Other Income	2,586,718	2,910,373	7,699,334	▲	4,788,961	165%
Increase (decrease) in inventories of finished goods and work in progress	(1,253,895)	5,243,675	7,306,232	▲	2,062,557	39%
Raw materials and consumables used	(74,120,062)	(104,614,407)	(132,839,011)	▲	(28,224,604)	27%
Employee benefits expense	(34,533,095)	(37,294,803)	(38,768,031)	▲	(1,473,228)	4%
Depreciation and amortisation expenses	(7,724,818)	(7,452,482)	(7,358,608)	▼	93,874	-1%
Other expenses	(9,376,727)	(9,702,906)	(14,073,439)	▲	(4,370,533)	45%
Other gains (losses)	229,096	282,102	67,275	▼	(214,827)	-76%
<b>Profit (loss) from operating activities</b>	<b>2,717,638</b>	<b>4,306,603</b>	<b>9,554,930</b>	▲	<b>5,248,327</b>	<b>122%</b>
Finance Income	7,250	59,336	54,889	▼	(4,447)	-7%
Finance costs	(1,929,050)	(1,680,442)	(1,331,343)	▼	349,099	-21%
Share of profit (loss) of associates and joint ventures accounted for using equity method	(2,308,339)	2,366,339	2,957,723	▲	591,385	25%
<b>Profit / (loss) before tax</b>	<b>(1,512,502)</b>	<b>5,051,836</b>	<b>11,236,199</b>	▲	<b>6,184,363</b>	<b>122%</b>
Tax income (expense)	(129,334)	(548,478)	(906,515)	▲	(358,037)	65%
<b>Profit (loss) of the year, attributable to</b>	<b>(1,641,836)</b>	<b>4,503,358</b>	<b>10,329,684</b>	▲	<b>5,826,326</b>	<b>129%</b>
Equity holders of the parent	(1,644,292)	4,505,019	10,326,000	▲	5,820,981	129%
Minority interest	2,456	(1,661)	3,684	▲	5,345	-322%
<b>Profit (loss) from continuing operations</b>	<b>(1,641,836)</b>	<b>4,503,358</b>	<b>10,329,684</b>	▲	<b>5,826,326</b>	<b>129%</b>
Differences from foreign operations	(67)	85	(4)	▼	(89)	-105%
<b>Comprehensive income of the year, attributable to:</b>	<b>(1,641,903)</b>	<b>4,503,443</b>	<b>10,329,680</b>	▲	<b>5,826,237</b>	<b>129%</b>
Equity holders of the parent	(1,644,359)	4,505,104	10,325,996	▲	5,820,892	129%
Minority interest	2,456	(1,661)	3,684	▲	5,345	n/a

Indicator	6 Months of 2020	6 Months of 2021	6 Months of 2022		2022 vs.2021	
EBITDA OPERATIONAL	8,366,530	9,825,994	14,940,360	▲	5,114,366	52%

Indicator	6 Months of 2020	6 Months of 2021	6 Months of 2022
Average no. of employees	1,441	1,467	1,381

## From EBITDA OPERATIONAL to Net profit

Indicator	6 Months of 2020	6 Months of 2021	6 Months of 2022		2022 vs.2021	
<b>EBITDA OPERATIONAL</b>	<b>8,366,530</b>	<b>9,825,994</b>	<b>14,940,360</b>	▲	5,114,366	52%
Fixed assets depreciation	(7,724,818)	(7,452,482)	(7,358,608)	▼	93,874	-1%
Revenues from subsidy from Government for investments	1,907,751	1,872,845	1,872,845	—	-	0%
Interest expenses	(899,196)	(824,452)	(1,019,096)	▲	(194,643)	24%
Gain/loss from sales of assets	(236,235)	(267)	6	▼	273	-102%
Other non-operational items(provisions,penalties, donations)	244,998	(83,270)	(195,075)	▲	(111,805)	134%
Forex gain/loss	(865,467)	(709,839)	(21,075)	▼	688,764	-97%
Share of profit / loss of associates	(2,308,339)	2,366,339	2,957,723	▲	591,385	25%
Other gain/loss from Financial	2,274	56,969	59,118	▲	2,149	4%
Tax on profit	(129,334)	(548,478)	(906,515)	▲	(358,037)	65%
<b>NET PROFIT</b>	<b>(1,641,836)</b>	<b>4,503,358</b>	<b>10,329,684</b>	▲	<b>5,826,328</b>	<b>129%</b>



Quarterly, the **Statement of the comprehensive income** had the following evolution:

Indicator (lei)	Q I 2021	Q II 2021	Q I 2022	Q II 2022	Q I 2022 vs. Q I 2021	Q II 2022 vs. Q II 2021
Revenue	73,074,641	81,860,410	89,914,541	97,606,637	16,839,901	15,746,226
Other Income	1,840,099	1,070,274	6,524,262	1,175,072	4,684,163	104,798
Increase (decrease) in inventories of finished goods and work in progress	2,534,994	2,708,681	6,403,775	902,457	3,868,781	(1,806,224)
Raw materials and consumables used	(49,431,755)	(55,182,652)	(67,381,271)	(65,457,740)	(17,949,516)	(10,275,088)
Employee benefits expense	(18,233,568)	(19,061,236)	(18,971,412)	(19,796,619)	(737,844)	(735,384)
Depreciation and amortisation expenses	(3,745,806)	(3,706,676)	(3,691,727)	(3,666,881)	54,079	39,795
Other expenses	(5,076,761)	(4,626,145)	(9,044,823)	(5,028,616)	(3,968,062)	(402,471)
Other gains (losses)	117,675	164,427	41,189	26,086	(76,486)	(138,341)
<b>Profit (loss) from operating activities</b>	<b>1,079,520</b>	<b>3,227,083</b>	<b>3,794,535</b>	<b>5,760,395</b>	<b>2,715,015</b>	<b>2,533,312</b>
Finance Income	41,009	18,327	52,855	2,034	11,846	(16,293)
Finance costs	(1,126,974)	(553,468)	(581,933)	(749,410)	545,041	(195,942)
Share of profit (loss) of associates and joint ventures accounted for using equity method	739,876	1,626,463	1,583,476	1,374,247	843,600	(252,216)
<b>Profit / (loss) before tax</b>	<b>733,431</b>	<b>4,318,405</b>	<b>4,848,934</b>	<b>6,387,265</b>	<b>4,115,503</b>	<b>2,068,861</b>
Tax income (expense)	(131,261)	(417,217)	(377,230)	(529,285)	(245,969)	(112,068)
<b>Profit (loss) of the year, attributable to</b>	<b>602,170</b>	<b>3,901,188</b>	<b>4,471,704</b>	<b>5,857,980</b>	<b>3,869,534</b>	<b>1,956,793</b>
Equity holders of the parent	603,000	3,902,019	4,470,369	5,855,631	3,867,369	1,953,613
Minority interest	(830)	(831)	1,335	2,349	2,165	3,180
<b>Profit (loss) from continuing operations</b>	<b>602,170</b>	<b>3,901,188</b>	<b>4,471,704</b>	<b>5,857,980</b>	<b>3,869,534</b>	<b>1,956,793</b>
Differences from foreign operations	82	3	(2)	(2)	(84)	(5)
<b>Comprehensive income of the year, attributable to:</b>	<b>602,252</b>	<b>3,901,191</b>	<b>4,471,702</b>	<b>5,857,978</b>	<b>3,869,450</b>	<b>1,956,788</b>
Equity holders of the parent	603,082	3,902,022	4,470,367	5,855,629	3,867,285	1,953,608
Minority interest	(830)	(831)	1,335	2,349	2,165	3,180
<b>EBITDA OPERATIONAL</b>	<b>3,901,985</b>	<b>5,924,009</b>	<b>6,572,211</b>	<b>8,368,149</b>	<b>2,670,226</b>	<b>2,444,140</b>



**C.) REVENUES (NET SALES)**

The participation of the consolidated subsidiaries in obtaining the item "Revenues ", in the reporting period is presented in the below table:

Subsidiary	6 Months of 2020	% in total	6 Months of 2021	% in total	6 Months of 2022	% in total	2022 vs.2021
Romcarbon SA	89,315,554	60%	123,293,002	65%	134,652,067	61%	9.21%
LivingJumbo Industry SA	55,296,045	37%	62,451,389	33%	82,586,875	37%	32.24%
RC Energo Install SRL	3,143,130	2%	2,059,412	1%	3,469,155	2%	68.45%
Info Tech Solutions SRL	492,560	0%	597,061	0%	558,466	0%	-6.46%
<b>Total, out of which:</b>	<b>148,247,289</b>	<b>100%</b>	<b>188,400,864</b>	<b>100%</b>	<b>221,266,563</b>	<b>100%</b>	<b>17.44%</b>
Within the Group	21,336,868	14%	33,465,813	18%	33,745,385	15%	0.84%
<b>Outside of the Group</b>	<b>126,910,421</b>	<b>86%</b>	<b>154,935,051</b>	<b>82%</b>	<b>187,521,178</b>	<b>85%</b>	<b>21.03%</b>

In the reporting period the item «Revenues» have the following structure:

Structure of Revenues (Net sales)	6 Months of 2020	% in total	6 Months of 2021	% in total	6 Months of 2022	% in total	2022 vs.2021
Sales of finished goods (701+709)	108,676,871	86%	132,813,228	86%	161,391,692	86%	21.52%
Sales of intermediary goods	7,138,173	6%	8,097,990	5%	8,240,856	4%	1.76%
Sales of residual products	145,796	0%	320,580	0%	283,872	0%	-11.45%
Services rendered	2,287,855	2%	1,299,564	1%	1,894,132	1%	45.75%
Sales of goods purchased for resale	8,339,967	7%	12,274,975	8%	15,463,927	8%	25.98%
Revenues from sundry activities	321,760	0%	128,714	0%	246,698	0%	91.66%
<b>Total</b>	<b>126,910,421</b>	<b>100%</b>	<b>154,935,051</b>	<b>100%</b>	<b>187,521,178</b>	<b>100%</b>	<b>21.03%</b>

**D.) CASH-FLOW**

	6 Months of 2021	Year 2021	6 Months of 2022
Net cash generated by operating activities	(4,666,517)	(1,778,786)	(8,289,622)
Net cash (used in)/generated by investing activities	(852,002)	(2,175,748)	(904,986)
Net cash (used in)/generated in financing activities	(6,644,927)	846,795	4,190,959
<b>Net increase in cash and cash equivalents</b>	<b>(12,163,446)</b>	<b>(3,107,739)</b>	<b>(5,003,648)</b>
<b>Cash and cash equivalents at the beginning of the year</b>	<b>20,704,632</b>	<b>20,704,632</b>	<b>17,596,893</b>
Effects of exchange rate changes on the balance of cash held in foreign currencies	0	0	0
Cash from subsidiaries acquired during the year	0	0	0
<b>Cash and cash equivalents at the end of the period</b>	<b>8,541,185</b>	<b>17,596,893</b>	<b>12,593,245</b>





**E.) FINANCIAL RATIOS**

Indicator	Formula	6 Months of 2020	6 Months of 2021	6 Months of 2022
EBIT	Net profit + Expenses with interests	(613,306)	5,876,286	12,255,292
EBITDA	EBIT + Depreciation-Subsidies for investment	5,203,761	11,455,924	17,741,055
Sales	Revenue + Rental and royalty income	127,589,388	155,972,578	193,347,666
EBITDA to sales ratio	EBITDA/Sales	4.08%	7.34%	9.18%
EBITDA to Equity ratio	EBITDA/Equity	3.67%	8.25%	12.10%
Gross profit margin	Gross profit/Sales	-1.19%	3.24%	5.81%
Current ratio	Current assets/Current liabilities	0.97	1.02	1.06
Quick ratio	(Current assets- Inventories)/Current liabilities	0.60	0.61	0.59
Non-current liabilities to Equity ratio	Non-current liabilities/Equity	35%	27%	19%
Total liabilities to Assets ratio	Total liabilities/Total Assets	52%	51%	53%
Interest coverage ratio	EBIT/Interest expenses	(0.68)	7.13	12.03
Account receivable turnover ratio	Average receivables/Sales (days)	53	51	54
Account payable turnover ratio	Average payables/Sales (days)	48	44	51
Return on assets (ROA)	Net profit/Assets	-0.5738%	1.5722%	3.2990%
Return on equity (ROE)	Net profit/Equity	-1.1934%	3.1801%	7.0436%
Return on sales (ROS)	Net profit/Sales	-1.2868%	2.8873%	5.3425%

The Consolidated Financial Statements for the period ended **June 30, 2022** have not been audited.

**HUANG LIANG NENG**

Chairman of the Board of Directors  
& General Manager

**ZAINESCU VIORICA**

Financial Manager

**MANAILA CARMEN**

Deputy general manager for administrative operations



## DECLARATION OF THE MANAGEMENT REGARDING THE CONSOLIDATED FINANCIAL STATEMENTS

### Undersigners

**Huang Liang Neng**, Chairman of the Board and General Manager  
**Manaila Carmen**, Deputy General Manager for Administrative Operations,  
**Zainescu Viorica Ioana**, Financial Manager

declare that the Consolidated Financial Statements for the period ended **June 30, 2022** prepared in accordance with IFRS, give, to the best of our knowledge, a true and fair view of the assets, liabilities, financial position, of the incomes and expenses of S.C. Romcarbon S.A. and its subsidiaries and the Directors' report prepared in accordance with FSA regulation no.5/2018, gives a true and fair view of the activity of ROMCARBON SA and its subsidiaries.

Given today, 12.08.2022

**HUANG LIANG NENG**  
Chairman of the Board of Directors  
& General Manager

**ZAINESCU VIORICA**  
Financial Manager

**MANAILA CARMEN**  
Deputy general manager for administrative operations



**ROMCARBON S.A. AND SUBSIDIARIES**  
**UNAUDITED CONDENSED CONSOLIDATED FINANCIAL STATEMENTS**  
**FOR THE PERIOD ENDED JUNE 30, 2022**

Prepared in accordance with Ministry of Public Finance Order no. 2844/2016  
for the approval of Accounting regulations conforming with International Financial Reporting  
Standards as adopted by the European Union, with subsequent amendments



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(all amounts are expressed in lei, unless specified otherwise)

	Notes	Period ended June 30, 2022	Period ended June 30, 2021
		RON	RON
Revenue	3	187,521,178	154,935,051
Other income	4	7,699,334	2,910,373
Increase (decrease) in inventories of finished goods and work in progress		7,306,232	5,243,675
Raw materials and consumables used	5	(132,839,011)	(104,614,407)
Employee benefits expense	6	(38,768,031)	(37,294,803)
Depreciation and amortisation expenses	7	(7,358,608)	(7,452,482)
Other expenses	8	(14,073,439)	(9,702,906)
Other gains (losses)	9	67,275	282,102
<b>Profit (loss) from operating activities</b>		<b>9,554,930</b>	<b>4,306,603</b>
Finance income	10	54,889	59,336
Finance costs	11	(1,331,343)	(1,680,442)
Share of profit (loss) of associates and joint ventures accounted for using equity method		2,957,723	2,366,339
<b>Profit (loss) before tax</b>		<b>11,236,199</b>	<b>5,051,836</b>
Tax income (expense)	12	(906,515)	(548,478)
<b>Profit (loss) from continuing operations</b>		<b>10,329,684</b>	<b>4,503,358</b>
Profit (loss) from discontinued operations		-	-
<b>Profit (loss) for the year</b>		<b>10,329,684</b>	<b>4,503,358</b>
Attributable to:			
Equity holders of the parent		<b>10,326,000</b>	<b>4,505,019</b>
Minority interest PL		3,684	(1,661)
<b>From operations:</b>			
RON ( per share)		0.039	0.017
Average no. of shares		264,122,096	264,122,096

The accompanying notes are integral part of these consolidated financial statements.  
This is a free translation from the original Romanian version.



(all amounts are expressed in lei, unless specified otherwise)

	Note	Period ended June 30, 2022	Period ended June 30, 2021
	-----	RON	RON
<b>Profit (loss)</b>		<b>10,329,684</b>	<b>4,503,358</b>
<b>Components of other comprehensive income that will not be reclassified to profit or loss, before tax</b>			
Other comprehensive income, before tax, gains (losses) on revaluation		-	-
<b>Total OCI that will not be reclassified to profit or loss, before tax</b>		-	-
<b>Components of other comprehensive income that will be reclassified to profit or loss, before tax</b>			
Gains (losses) on exchange differences on translation, before tax		(4)	85
<b>Total OCI that will be reclassified to profit or loss, before tax</b>		<b>(4)</b>	<b>85</b>
<b>Total other comprehensive income, before tax</b>		<b>(4)</b>	<b>85</b>
Income tax relating to changes in revaluation surplus included in other comprehensive income	12	-	-
<b>Total other comprehensive income</b>		<b>(4)</b>	<b>85</b>
<b>Total comprehensive income</b>		<b>10,329,680</b>	<b>4,503,443</b>
Comprehensive income attributable to			
<b>Comprehensive income, attributable to owners of parent</b>		10,325,996	4,505,104
<b>Comprehensive income, attributable to non-controlling interests</b>		3,684	(1,661)

The condensed interim consolidated financial statements have been authorized by the Board of Directors to be issued on August 12, 2022.

**PREPARED BY,**

**HUANG LIANG NENG,**

Chairman of the Board  
and General Manager

**VIORICA ZAINESCU,**

Financial Manager

**CARMEN MANAILA,**

Deputy General Manager  
for administrative  
operations

The accompanying notes are integral part of these consolidated financial statements.  
This is a free translation from the original Romanian version.



(all amounts are expressed in lei, unless specified otherwise)

	Note	June 30, 2022	December 31, 2021
		RON	RON
<b>ASSETS</b>			
<b>Non-current assets</b>			
Property, plant and equipment	13	127,160,130	132,497,914
Investment property	14	10,894,586	10,894,586
Goodwill	15	143,461	143,461
Intangible assets other than goodwill	16	256,851	298,466
Investments accounted for using equity method	17	26,282,341	23,324,617
Investments in subsidiaries, joint ventures and associates		197,974	196,974
Other financial non-current assets		0	0
<b>Total non-current assets</b>		<b>164,935,343</b>	<b>167,356,018</b>
<b>Current assets</b>			
Current inventories	18	66,519,860	54,803,659
Trade and other current receivables	19	62,610,793	52,981,338
Other current financial assets	20	169,078	617,902
Other current non-financial assets	21	2,526,348	4,621,551
Cash and cash equivalents	22	12,593,245	17,596,893
<b>Total current assets other than non-current assets or disposal groups classified as held for sale or as held for distribution to owners</b>		<b>144,419,324</b>	<b>130,621,343</b>
Non-current assets or disposal groups classified as held for sale or as held for distribution to owners	23	3,760,155	3,760,155
<b>Total current assets</b>		<b>148,179,479</b>	<b>134,381,498</b>
<b>TOTAL ASSETS</b>		<b>313,114,822</b>	<b>301,737,516</b>
<b>EQUITY AND LIABILITIES</b>			
<b>Capital and reserves</b>			
Issued capital	24	26,412,210	26,412,210
Retained earnings	25	57,164,952	49,182,732
Share premium		2,182,283	2,182,283
Other reserves	26	59,975,060	60,227,360
<b>Total equity attributable to owners of parent</b>		<b>145,734,505</b>	<b>138,004,585</b>
Non-controlling interests	27	919,264	915,581
<b>Total equity</b>		<b>146,653,769</b>	<b>138,920,166</b>

The accompanying notes are integral part of these consolidated financial statements.  
This is a free translation from the original Romanian version.



(all amounts are expressed in lei, unless specified otherwise)

	Note	June 30, 2022	December 31, 2021
		RON	RON
<b>Non-current liabilities</b>			
Other non-current provisions		659,623	659,623
<b>Total non-current provisions</b>		<b>659,623</b>	<b>659,623</b>
Deferred tax liabilities		8,012,574	8,012,574
Other non-current financial liabilities	<b>28</b>	4,023,471	7,623,547
Other non-current non-financial liabilities	<b>30</b>	14,442,960	16,015,575
<b>Total non-current liabilities</b>		<b>27,138,628</b>	<b>32,311,319</b>
<b>Current liabilities</b>			
Trade and other current payables	<b>29</b>	54,384,648	55,224,665
Other current financial liabilities	<b>28</b>	75,434,713	67,635,179
Other current non-financial liabilities	<b>30</b>	9,503,064	7,646,187
<b>Total current liabilities other than liabilities included in disposal groups classified as held for sale</b>		<b>139,322,425</b>	<b>130,506,031</b>
Liabilities included in disposal groups classified as held for sale		<b>0</b>	<b>0</b>
<b>Total current liabilities</b>		<b>139,322,425</b>	<b>130,506,031</b>
<b>Total liabilities</b>		<b>166,461,053</b>	<b>162,817,350</b>
<b>Total equity and liabilities</b>		<b>313,114,822</b>	<b>301,737,516</b>

The condensed interim consolidated financial statements have been authorized by the Board of Directors to be issued on August 12, 2022.

**PREPARED BY,**

**HUANG LIANG NENG,**

Chairman of the Board  
and General Manager

**VIORICA ZAINESCU,**

Financial Manager

**CARMEN MANAILA,**

Deputy General Manager  
for administrative  
operations

The accompanying notes are integral part of these consolidated financial statements.  
This is a free translation from the original Romanian version.





(all amounts are expressed in lei, unless specified otherwise)

2022	Issued capital	Share premium	Revaluation surplus	Legal reserves & Other reserves	Reserve of exchange differences on translation	Retained earnings	Equity attributable to owners of parent	Non-controlling interests	Equity
<b>Equity at beginning of period [01.01.2022]</b>	<b>26,412,210</b>	<b>2,182,283</b>	<b>38,652,619</b>	<b>22,636,604</b>	<b>(1,061,863)</b>	<b>49,182,731</b>	<b>138,004,584</b>	<b>915,581</b>	<b>138,920,165</b>
Profit (loss)	-	-	-	-	-	10,326,000	10,326,000	3,684	10,329,684
Other comprehensive income	-	-	-	-	(4)	-	(4)	-	(4)
<b>Total comprehensive income</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>(4)</b>	<b>10,326,000</b>	<b>10,325,996</b>	<b>3,684</b>	<b>10,329,680</b>
Issue of equity	-	-	-	-	-	-	-	-	-
Dividends recognised as distributions to owners	-	-	-	-	-	(2,641,221)	(2,641,221)	-	(2,641,221)
Increase (decrease) through other changes, equity	-	-	(252,296)	-	-	297,442	45,146	(1)	45,145
<b>Equity at end of period [30.06.2022]</b>	<b>26,412,210</b>	<b>2,182,283</b>	<b>38,400,323</b>	<b>22,636,604</b>	<b>(1,061,867)</b>	<b>57,164,952</b>	<b>145,734,505</b>	<b>919,264</b>	<b>146,653,769</b>

The resolution of the General Meeting of Shareholders of 08.06.2022 approved the dividend allocation in amount of Lei 2,641,221. The full amount will be transferred to the Central Depository to pay dividends owed to shareholders.

The condensed interim consolidated financial statements have been authorized by the Board of Directors to be issued on August 12, 2022.

**PREPARED BY,**

**HUANG LIANG NENG,**  
Chairman of the Board  
and General Manager

**VIORICA ZAINESCU,**  
Financial Manager

**CARMEN MANAILA,**  
Deputy General Manager for administrative  
operations

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(all amounts are expressed in lei, unless specified otherwise)

2021	Issued capital	Share premium	Revaluation surplus	Legal reserves & Other reserves	Reserve of exchange differences on translation	Retained earnings	Equity attributable to owners of parent	Non-controlling interests	Equity
<b>Equity at beginning of period [01.01.2021]</b>	<b>26,412,210</b>	<b>2,182,283</b>	<b>39,577,007</b>	<b>22,454,150</b>	<b>(1,062,080)</b>	<b>49,238,098</b>	<b>138,801,668</b>	<b>909,941</b>	<b>139,711,609</b>
Profit (loss)	0	0	0	0	0	1,793,730	1,793,730	(3,118)	1,790,612
Other comprehensive income	0	0	21,017	0	115	0	21,132	0	21,132
<b>Total comprehensive income</b>	<b>0</b>	<b>0</b>	<b>21,017</b>	<b>0</b>	<b>115</b>	<b>1,793,730</b>	<b>1,814,862</b>	<b>(3,118)</b>	<b>1,811,744</b>
Issue of equity	0	0	0	0	0	0	0	0	0
Dividends recognised as distributions to owners	0	0	0	0	0	(2,641,221)	(2,641,221)	0	(2,641,221)
Increase (decrease) through other changes, equity	0	0	(945,405)	182,454	102	792,125	29,276	8,758	38,034
<b>Equity at end of period [31.12.2021]</b>	<b>26,412,210</b>	<b>2,182,283</b>	<b>38,652,619</b>	<b>22,636,604</b>	<b>(1,061,863)</b>	<b>49,182,732</b>	<b>138,004,585</b>	<b>915,581</b>	<b>138,920,166</b>

The resolution of the General Meeting of Shareholders of 28.04.2021 approved the dividend allocation in amount of Lei 2,641,221. The full amount was transferred to the Central Depository to pay dividends owed to shareholders.

The condensed interim consolidated financial statements have been authorized by the Board of Directors to be issued on August 12, 2022.

**PREPARED BY,**

**HUANG LIANG NENG,**  
Chairman of the Board  
and General Manager

**VIORICA ZAINESCU,**  
Financial Manager

**CARMEN MANAILA,**  
Deputy General Manager for administrative  
operations

The accompanying notes are integral part of these consolidated financial statements.  
This is a free translation from the original Romanian version.



(all amounts are expressed in lei, unless specified otherwise)

	30-jun-22	30-jun-21
<b>Cash flows from (used in) operating activities</b>		
<b>Profit (loss)</b>	<b>10,329,684</b>	<b>4,503,358</b>
<b>Adjustments to reconcile profit (loss)</b>		
Adjustments for income tax expense	906,515	548,478
Finance expenses recognized in profit	1,276,216	968,213
(Gain) / Loss on sale or disposal of fixed assets	(9,106)	267
Production of the imobilization	(966,096)	(308,564)
Interest income	(54,889)	(59,336)
Loss on impairment of stocks	-	(3,422)
Loss on time-barred receivables	188	-
Amortization / Depreciation of non-current assets	7,358,608	7,452,482
Net (gain) / loss on foreign exchange	21,075	709,839
(Gain) / Loss on share of profit of associates	(2,957,723)	(2,366,339)
Increases /(decreases) in subsidiaries	(1,872,845)	(1,872,845)
<b>Movement in working capital</b>		
(Increase) / Decrease in trade and other receivables	(9,642,220)	(16,752,401)
(Increase) / Decrease in inventories	(11,716,201)	(5,242,657)
(Increase) / Decrease in other assets	2,544,027	(1,168,165)
Increase / (Decrease) in trade and other payables	(840,007)	8,723,369
Increase / (Decrease) in other payables	(498,718)	1,313,250
<b>Total adjustments to reconcile profit (loss)</b>	<b>(16,451,176)</b>	<b>(8,057,831)</b>
Interest paid	(1,019,096)	(824,452)
Income taxes refund (paid)	(891,913)	(143,831)
Bank commissions paid	(257,121)	(143,761)
<b>Net cash flows from (used in) operating activities</b>	<b>(8,289,622)</b>	<b>(4,666,517)</b>
<b>Cash flows from (used in) investing activities</b>		
Payments for property, plant and equipment	(927,030)	(844,639)
Payments for intangible assets	(40,934)	(66,598)
Proceeds from disposal of property, plant and equipment	9,100	-
Payments for financial assets	(1,001)	(101)
Interest received	54,879	59,336
<b>Net cash flows from (used in) investing activities</b>	<b>(904,986)</b>	<b>(852,002)</b>
<b>Cash flows from (used in) financing activities</b>		
Proceeds from borrowing	8,687,497	3,182,940
Repayment of borrowing	(4,496,539)	(7,178,790)
Lease payments	-	(7,856)
Dividends paid	-	(2,641,221)
<b>Net cash flows from (used in) financing activities</b>	<b>4,190,959</b>	<b>(6,644,927)</b>
<b>Net increase (decrease) in cash and cash equivalents before effect of exchange rate changes</b>	<b>(5,003,648)</b>	<b>(12,163,446)</b>
<b>Effect of exchange rate changes on cash and cash equivalents</b>	<b>-</b>	<b>-</b>
<b>Net increase (decrease) in cash and cash equivalents</b>	<b>(5,003,648)</b>	<b>(12,163,446)</b>
<b>Cash and cash equivalents at beginning of period</b>	<b>17,596,893</b>	<b>20,704,632</b>
<b>Cash and cash equivalents at end of period</b>	<b>12,593,245</b>	<b>8,541,185</b>



*(all amounts are expressed in lei, unless specified otherwise)*

The condensed interim consolidated financial statements have been authorized by the Board of Directors to be issued on August 12, 2022.

**PREPARED BY,**

---

**HUANG LIANG NENG,**

Chairman of the Board  
and General Manager

---

**VIORICA ZAINESCU,**

Financial Manager

---

**CARMEN MANAILA,**

Deputy General Manager  
for administrative  
operations



*(all amounts are expressed in lei, unless specified otherwise)*

## 1. GENERAL INFORMATION

ROMCARBON S.A. (the "Parent") has its main office in Buzău, Str. Transilvaniei, nr. 132 and is organised as a joint-stock company with the following identification details: registered with the Registry of Commerce under no. J10/83/1991, Fiscal Code RO1158050. Country of incorporation is Romania. As at June 30, 2022 the Parent's shares were traded on the BSE and its main shareholders were Living Plastic Industry S.R.L., Joyful River Limited Loc. Nicosia CYP, Toderiță Ștefan Alexandru. The reporting entity of the Group is Romcarbon SA.

The Parent's main field of activity is the manufacture of plastic packaging, NACE code 2222. In the reporting period it wasn't changed the name of the parent company nor the field of activity.

As at June 30, 2022 the Parent was holding directly or through other subsidiaries, participating interest in the following entities, thus forming Romcarbon Group:

RC ENERGO INSTALL S.R.L. is a company established in 2005, where S.C. Romcarbon S.A. holds 100%. The company's main office is located in Buzău, Str. Transilvaniei, nr. 132. The company was established by outsourcing the maintenance and repair of water installations, sewage and substations; the main object of activity is Plumbing, heat and air conditioning installation (NACE code 4322).

LIVINGJUMBO INDUSTRY S.A. is a company established in 2002, where S.C. Romcarbon S.A. holds 99.86% of the shares and the remaining shares are held by legal persons. The company's main office is located in Buzău, Str. Transilvaniei, nr. 132. The company's main object of activity is Manufacture of plastic packing goods (NACE code 2222).

INFO TECH SOLUTIONS S.R.L. is a company established in 2005, where S.C. Romcarbon S.A. holds 99.50% of the shares and the remaining shares are held by natural persons. The company's main office is located in Buzău, Str. Transilvaniei, nr. 132. The company was established by outsourcing the IT services and its main object of activity is Data processing, hosting and related activities (NACE code 6311) or Computer consultancy activities (NACE code 6202).

YENKI S.R.L. is a company established in 2007, where S.C. Romcarbon S.A. holds 33.34% of the shares and the remaining shares are held by Romanian legal and natural persons. The company's main office is located at Soseaua Nordului, DN2, Buzău. The company's main object of activity is Operation of sports facilities (NACE code 9311).

GRINFILD UKRAINE is a company established in 2007, where SC Romcarbon SA holds 62.62% of the shares and the remaining shares are held by foreign legal persons. The company's main office is located in Ukraine, Odessa region, Krijianivka locality, Str. Mikolayevska, Bl. 2. The company's main object of activity is wholesale. The company ceased its activity in 2012.

GRINRUH LLC UKRAINE is a company established in 2007, where SC Romcarbon SA indirectly holds 62.62%. The company's main office is located in Ukraine, Odessa region, Krijianivka locality, Str. Mikolayevska, Bl. 2. The company's main object of activity is construction and wholesale. The company ceased its activity in 2012.

ECO PACK MANAGEMENT SA is a company established in 2010, where SC Romcarbon SA directly holds 25.36% and 74.62%, indirectly through Livingjumbo Industry SA. The remaining shares are held by Romanian legal persons. The company's main office is located in Buzău, Str. Transilvaniei, nr. 132, Granules Hall, room no.7, 2nd Floor. The company's main object of activity is - NACE code 8299 - Other business support service activities n.e.c.

RECYPLAT LTD is a company established in 2011, wholly owned by SC Romcarbon SA. The company's main office is located in Akropoleos, 59-61, 3rd floor, Nicosia, Cyprus. The company's main object of activity is the Conduct of activities and business of consultants, experts in all scientific fields, financial, administrative or otherwise, in relation to the setting up, operation, development and improvement of any business, industry, company, partnership or other organization.



*(all amounts are expressed in lei, unless specified otherwise)*

## **CHANGES DURING 2022**

Association 'VIITORUL INCEPE AZI (VIA)', established in accordance with GO no. 26/2000, is a non-governmental, non-profit and non-political organization; The association's mission is to improve the quality of technical professional training and development in the Buza area (Romania), to support and promote the interests and needs of its members in front of the authorities and/or various bodies, third parties.

The association was established in 2022 by 7 economic operators from Buzau - Voestalpine RAILWAY SYSTEMS ROMANIA SA, URBIS SERV SRL, LUCSOR IMPEX SRL, URSUS BREWERIES SA, ROMCARBON SA, BENCOMP SRL, GREENFIBER INTERNATIONAL SA - as founding members, with contribution equal in its patrimony and with equal right to vote in the General Assembly.

The association's assets, worth 7,000 lei, constituted by the membership contribution of the founding members.

CIRCULAR VENTURES SA is a company established in 2022 in whose capital SC Romcarbon SA indirectly holds through GREENWEEE INTERNATIONAL SA 17.5879%. The company's main office is located in 165 Calea Floreasca, OneTower, 11 Floor, District 1, Bucuresti. The company's main object of activity is Other business support service activities n.e.c. (NACE code 8299).



*(all amounts are expressed in lei, unless specified otherwise)*

## **2. MAIN ACCOUNTING POLICIES**

### **Statement of compliance**

The condensed interim consolidated financial statements for the period ended June 30, 2022, of the Company have been prepared in accordance with Accounting Standard IAS 34 - Interim Financial Reporting.

The condensed interim consolidated financial statements do not include the details of all explanatory notes normally included in an annual financial report. Accordingly, these condensed interim consolidated financial statements will be read together with the annual consolidated financial statements for the year ended 31 December 2021.

The accounting policies adopted in these financial statements are in accordance with those adopted in the previous financial year and in the interim reporting period corresponding to the previous year. During the period ended June 30, 2022, there were no changes in accounting policies compared to the last financial statements ended December 31, 2021.

### **Bases of preparation**

The consolidated financial statements were prepared on a going concern basis, at historical cost, adjusted to hyperinflation as at December 31, 2003 for fixed assets, share capital and reserves.

The financial statements are prepared based on the statutory accounts kept in accordance with Romanian accounting principles, adjusted for compliance with IFRS.

### **Bases of consolidation**

The consolidated financial statements include the financial statements of the Parent, of its subsidiaries and joint ventures. Control is obtained when the Parent has the power to govern the financing and operating policies of an entity to acquire benefits from the latter's activities.

Considering the Commission Delegated Regulation (EU) 2018/815 (hereinafter referred to as the RTS ESEF) which specifies the single electronic reporting format (ESEF) in which all financial statements are prepared, the Group considered it necessary to align the presentation of the overall result and the financial position in compliance with ESEF taxonomy.

The profit of the subsidiary acquired during the year is included in the consolidated income statement as at the acquisition date.

Where required, the subsidiary's financial statements are corrected to adjust its accounting policies in accordance with the policies used by the Parent.

All group transactions, balances, income and expenses are completely eliminated from the consolidation.

Non-controlling interests in net assets (excluding goodwill) of the subsidiary are disclosed separately from the Group's equity. Non-controlling interests consist in the sum of interests as at the date of the original business combination (see below) and the non-controlling share in changes in equity starting from the combination date. Losses corresponding to the minority, which exceed the non-controlling interest held in the subsidiary's equity are allocated as compared to the Group's interests, except if the minority holds an obligation and can make additional investments to cover losses.



(all amounts are expressed in lei, unless specified otherwise)

## 2. MAIN ACCOUNTING POLICIES (continued)

### Initial application of new changes to existing standards in force for the current reporting period

The following amendments and interpretations of existing standards issued by the International Accounting Standards Board (IASB) and adopted by the EU apply for the current reporting period:

- **Amendments to IAS 16 "Property, Plant and Equipment"** - Proceeds before Intended Use adopted by the EU on 28 June 2021 (effective for annual periods beginning on or after 1 January 2022),
- **Amendments to IAS 37 "Provisions, Contingent Liabilities and Contingent Assets"** - Onerous Contracts - Cost of Fulfilling a Contract adopted by the EU on 28 June 2021 (effective for annual periods beginning on or after 1 January 2022),
- **Amendments to IFRS 3 "Business Combinations"** - Reference to the Conceptual Framework with amendments to IFRS 3 adopted by the EU on 28 June 2021 (effective for annual periods beginning on or after 1 January 2022),
- **Amendments to various standards due to "Improvements to IFRSs (cycle 2018 -2020)"** resulting from the annual improvement project of IFRS (IFRS 1, IFRS 9, IFRS 16 and IAS 41) primarily with a view to removing inconsistencies and clarifying wording - adopted by the EU on 28 June 2021 (The amendments to IFRS 1, IFRS 9 and IAS 41 are effective for annual periods beginning on or after 1 January 2022. The amendment to IFRS 16 only regards an illustrative example, so no effective date is stated.).

The adoption of amendments to the existing standards has not led to any material changes in the Group's financial statements

At the date of authorisation of these financial statements, the following amendments to the existing standards were issued by IASB and adopted by the EU and which are not yet effective:

- **Amendments to IFRS 17 "Insurance contracts"** - Initial Application of IFRS 17 and IFRS 9 - Comparative Information (effective for annual periods beginning on or after 1 January 2023).

### New standards and amendments to the existing standards issued by IASB but not yet adopted by the EU

At present, IFRS as adopted by the EU do not significantly differ from regulations adopted by the International Accounting Standards Board (IASB) except for the following new standards and amendments to the existing standards, which were not endorsed for use in EU at date of publication of these consolidated financial statements (the effective dates stated below is for IFRS as issued by IASB):

- **IFRS 14 "Regulatory Deferral Accounts"** (effective for annual periods beginning on or after 1 January 2016) - the European Commission has decided not to launch the endorsement process of this interim standard and to wait for the final standard,
- **Amendments to IAS 1 "Presentation of Financial Statements"** - Classification of Liabilities as Current or Non-Current (effective for annual periods beginning on or after 1 January 2023),
- **Amendments to IAS 1 "Presentation of Financial Statements"** - Disclosure of Accounting Policies (effective for annual periods beginning on or after 1 January 2023),
- **Amendments to IAS 8 "Accounting Policies, Changes in Accounting Estimates and Errors"** - Definition of Accounting Estimates (effective for annual periods beginning on or after 1 January 2023),
- **Amendments to IAS 12 "Income Taxes"** - Deferred Tax related to Assets and Liabilities arising from a Single Transaction (effective for annual periods beginning on or after 1 January 2023),





(all amounts are expressed in lei, unless specified otherwise)

## 2. MAIN ACCOUNTING POLICIES (continued)

The Group anticipates that the adoption of these new standards and amendments to the existing standards will have no material impact on the financial statements of the Group in the period of initial application. Hedge accounting for a portfolio of financial assets and liabilities whose principles have not been adopted by the EU remains unregulated.

According to the Group's estimates, the application of hedge accounting to a portfolio of financial assets or liabilities pursuant to IAS 39: "Financial Instruments: Recognition and Measurement" would not significantly impact the financial statements, if applied as at the balance sheet date

## 3. REVENUES

Below is an analysis of the Group's revenues for the financial reporting period:

	<b>Period ended June 30, 2022</b>	<b>Period ended June 30, 2021</b>
	<b>RON</b>	<b>RON</b>
Revenues from sale of finished products <sup>1</sup>	161,391,692	132,813,228
Revenues from sale of commodities	15,463,927	12,274,975
Revenues from services delivered	1,894,132	1,299,564
Other revenues (revenues from sale of semi-finished goods, residual goods, other income)	8,771,426	8,547,284
<b>Total</b>	<b>187,521,178</b>	<b>154,935,051</b>

<sup>1</sup> The increase in Revenues from sales of finished products and from the sale of commodities is mainly due to the significant increase in raw material prices (plastic granules) during the reporting period and is correlated with the increased cost of raw materials.



(all amounts are expressed in lei, unless specified otherwise)

### 3. REVENUES (continued)

Segment reporting	Period ended June 30, 2022 <u>RON</u>	Period ended June 30, 2021 <u>RON</u>
Sales on domestic market (Romania)	161,391,692	132,813,228
Sales on foreign market (Europe)	15,463,927	12,274,975
Other (China, Israel, s.o.)	<u>10,665,559</u>	<u>9,846,848</u>
<b>Total</b>	<b><u>187,521,178</u></b>	<b><u>154,935,051</u></b>

	<u>Segment: Revenues</u>		<u>Segment: Profit</u>	
	Period ended June 30, 2022 <u>RON</u>	Period ended June 30, 2021 <u>RON</u>	Period ended June 30, 2022 <u>RON</u>	Period ended June 30, 2021 <u>RON</u>
Plastics processing	148,667,104	120,870,697	15,696,558	13,470,751
Regenerated polymers & Compounds	26,631,695	18,665,292	3,659,611	2,717,170
Other productive sectors (protection materials, Active carbon, car and industrial filters, processed PVC. etc)	4,556,593	2,951,204	1,489,094	468,952
Revenues from sale of goods, sale of utilities, provision of services, other revenues	7,665,786	12,447,858	229,974	373,436
<b>Total from operations</b>	<b><u>187,521,178</u></b>	<b><u>154,935,051</u></b>	<b><u>21,075,236</u></b>	<b><u>17,030,308</u></b>
Other income	-	-	7,699,334	2,910,373
Other gains and losses, salaries and administrative expenses	-	-	(16,261,917)	(13,267,739)
Finance expenses	-	-	(1,331,343)	(1,680,442)
Finance income	-	-	<u>54,889</u>	<u>59,336</u>
<b>Total from operations</b>	<b>-</b>	<b>-</b>	<b><u>11,236,199</u></b>	<b><u>5,051,836</u></b>

“**Plastics processing**” segment include income obtained by the Group from selling polyethylene products (agriculture foils and thermo-contractible foils, polyethylene bags of different thicknesses and sizes, covers), polypropylene products (polypropylene bags for the milling and bakery industry, the chemical industry, sugar industry, etc. and big-bags), polystyrene products (expanded polystyrene trays - standard and catering, expanded polystyrene boards for floor insulation), PET products (PET trays and multilayer films (lamination, sealing, thermoforming), PVC tubes, etc.

“**Regenerated Polymers & Compounds**” segment includes income from sale of compounds and re-granulated materials made of recycled polymers and plastics compounds made of virgin polymers used by the processors of plastics products that manufacture items for various uses in the automotive industry, the electrical and household industry, furniture, constructions, pipes, packaging, etc.

**Other productive sectors** include the following groups of products:

- “**Materials for respiratory protection and active carbon**” include respiratory protection equipment used by the big chemical and petrochemical plants in the country as well as activated coal applied in different actions of purification of methane in the biodegradation of household waste, pit soil reclamation, retention of toxic gas from incinerators, etc.
- “**Filters**” include sales of oil, fuel and air filters for both motor vehicles and industrial use.
- “**Processed PVC**” includes products made of recycled materials used to produce traffic signs.



(all amounts are expressed in lei, unless specified otherwise)

**3. REVENUES (continued)**

		<b>Segment: Assets</b>		<b>Segment: Liabilities</b>	
		<b>June 30, 2022</b>	<b>December 31, 2021</b>	<b>June 30, 2022</b>	<b>December 31, 2021</b>
		<b>RON</b>	<b>RON</b>	<b>RON</b>	<b>RON</b>
<b>Assets and Liabilities</b>					
Romcarbon, LivingJumbo Industry	Plastics processing (Polypropylene, Polystyrene, Polyethylene, PET)	134,688,901	120,116,717	115,342,027	105.315.946
Romcarbon	Regenerated polymers & Compounds	56,239,630	55,171,383	21,206,026	21.024.345
Romcarbon	Other productive sectors (protection materials, Active carbon, car and industrial filters, processed PVC, etc)	5,897,585	5,785,563	2,366,797	2.346.520
Romcarbon, RC Energo Install, Info Tech Solutions, s.o	Other activities( sale of goods, sale of utilities, provision of services, other revenues)	116,288,706	120,663,854	27,546,203	34.130.540
<b>Total Assets/Liabilities</b>		<b>313,114,822</b>	<b>301,737,516</b>	<b>166,461,053</b>	<b>162,817,350</b>
		<b>Segment: Depreciation</b>		<b>Non-current assets additions *</b>	
		<b>June 30, 2022</b>	<b>June 30, 2021</b>	<b>June 30, 2022</b>	<b>December 31, 2021</b>
		<b>RON</b>	<b>RON</b>	<b>RON</b>	<b>RON</b>
<b>Depreciation and Non-current assets additions</b>					
Romcarbon, LivingJumbo Industry	Plastics processing (Polypropylene, Polystyrene, Polyethylene, PET)	3,563,149	3,651,712	928,953	1.850.257
Romcarbon	Regenerated polymers & Compounds	1,989,306	1,897,916	16,754	1.250.354
Romcarbon	Other productive sectors (protection materials, Active carbon, car and industrial filters, processed PVC, etc)	154,323	160,718	-	27.275
Romcarbon, RC Energo Install, Info Tech Solutions, etc	Other activities( sale of goods, sale of utilities, provision of services, other revenues)	1,651,829	1,742,136	1,305,193	1.311.246
<b>Total</b>		<b>7,358,608</b>	<b>7,452,482</b>	<b>2,250,900</b>	<b>4,439,132</b>

\* *Non-current assets additions represent inflows of fixed assets during the year and do not include inflows from purchases of subsidiaries.*  
In "Other activities" segment, the Group has one client (Kasakrom Chemicals SRL) whose turnover represents 2% (5% in H1 2021) of the Group's sales.



(all amounts are expressed in lei, unless specified otherwise)

#### 4. OTHER INCOME

During the period, there was an increase in revenues from rents compared to the similar period of the previous year of Lei 4,788,961. The increase is due to the subsidiary RC Energo Install SRL where there was an increase of the business of festive lighting in the winter of 2021-2022.

#### 5. RAW MATERIALS AND CONSUMABLES USED

Expenses with raw materials and consumables used had a total increase during 2022 compared to 2021 of Lei 28,224,603. In 2022, the expenses with raw materials increased by Lei 25,217,187, while the expenses with goods utilities increased by Lei 5,170,121.

The increase in expenses with raw materials took place as a result of the increase in the purchase costs of plastic granules and is correlated with the increase in revenues from sales of finished products.

#### 6. EMPLOYEE BENEFITS EXPENSES

In 2022, the expenses with the employees' benefits increased by Lei 1,473,228, compared to the previous period, mainly as a result of the increase of the minimum wage.

#### 7. DEPRECIATION AND AMORTIZATION EXPENSES

Expenses with depreciation and amortization decreased in 2022 compared to the similar period of the previous year by -Lei 93,874.

#### 8. OTHER EXPENSES

Also, in 2022, the Other expenses registered a variation compared to the similar period of the previous year of + Lei 4,370,533. The highest increases were recorded in Expenses with rents (+ Lei 2,849,322) and in Expenses with third party services (+ Lei 1,457,801) and it is owed to the festive lighting business in RC Energo Install SRL, while significant decreases were registered in Expenses with other taxes (- Lei 286,651) and Transportation Expenses (- Lei 72,908).

#### 9. OTHER GAINS (LOSSES)

In 2022, Other gains (losses) registered a decrease compared to the similar period of the previous year of - Lei 214,827. The main variations were registered by the Gain/(loss) on disposal of property, plant and equipment (+ Lei 9,373) and by Other income (- Lei 197,271).

#### 10. FINANCE INCOME

Finance income increased in 2022 with Lei 4,447 compared with the similar period of the previous year.

#### 11. FINANCE EXPENSES

The financial expenses that including interest expenses, net foreign exchange losses and expenses with bank fees decreased in 2022 compared to 2021 by - Lei 349,099. The highest decrease (- LEI 688,764) was registered for net foreign exchange losses. The expenses with interests and bank fee increased in H1 2022 by Lei 308,003.



(all amounts are expressed in lei, unless specified otherwise)

## 12. INCOME TAX (EXPENSE)

### Income tax expenses

	Period ended June 30, 2022	Period ended June 30, 2021
	<u>RON</u>	<u>RON</u>
Current income tax expense	906,515	548,478
Deferred tax income expense / (income)	-	-
<b>Total expense (income) with income tax</b>	<b><u>906,515</u></b>	<b><u>548,478</u></b>

The tax rate applied for the reconciliation above related to 2022 and 2021 is 16% and is due by all Romanian legal entities.

### Components of deferred tax liabilities

	Period ended June 30, 2022	Year ended December 31, 2021
	<u>RON</u>	<u>RON</u>
Property, plant and equipment	7,588,146	7,588,146
Investment property	837,044	837,044
Inventories	(274,549)	(274,549)
Trade and other receivables and other	(138,067)	(138,067)
<b>Recognized deferred income tax liabilities</b>	<b><u>8,012,574</u></b>	<b><u>8,012,574</u></b>
<b>of which: deferred tax on revaluation reserves from comprehensive income</b>	<b><u>8,012,574</u></b>	<b><u>8,012,574</u></b>
	<b><u>8,012,574</u></b>	<b><u>7,857,468</u></b>
<b>Balance at the beginning of the period</b>		
<b>(Cheltuiala) / Venit in perioada</b>		
- movement from revaluation reserves	-	(21,017)
- recognized in income statement	-	176,123
- from acquisition of subsidiaries	-	-
<b>Balance at the end of period</b>	<b><u>8,012,574</u></b>	<b><u>8,012,574</u></b>



(all amounts are expressed in lei, unless specified otherwise)

### 13. PROPERTY, PLANT AND EQUIPMENT

During 2022, the inputs of fixed assets amounted to Lei 2,250,900. During 2022, the outputs of fixed assets amounted to Lei 2,810,327, of which buildings Lei 53,471, technical installations and machines Lei 206,666, other installations and equipment Lei 7,081 and advances in the total amount of Lei 2,543,109. The depreciation expense in H1 2022 was Lei 7,276,058.

#### Pledged and restricted tangible assets

##### ROMCARBON S.A.

Tangible assets having a net book value of Lei 75,103,601 as at June 30, 2022 (December 31, 2021: Lei 80,298,674) represent security for loans and credit lines contracted from: BRD GSG SA, UniCredit Bank, EXIMBANK SA and CEC Bank SA.

##### LIVINGJUMBO INDUSTRY S.A.

Tangible assets having a net book value of Lei 23,894,113 as at June 30, 2022 (December 31, 2021: Lei 25,412,377) represent security for loans and credit lines contracted from: EXIMBANK SA and UniCredit Bank SA.

##### RC ENERGO INSTALL SRL

Tangible assets having a net book value of Lei 25,830 as at June 20, 2022 (December 31, 2021: Lei 56,852) represent security for credit lines contracted from EXIMBANK SA.

### 14. INVESTMENT PROPERTIES

	<b>Period ended June 30, 2022 RON</b>	<b>Year ended December 31, 2021 RON</b>
Land	4,654,143	4,654,143
Buildings	6,240,443	6,240,443
<b>Total</b>	<b>10,894,586</b>	<b>10,894,586</b>

As at June 30, 2022, the Group owns in its locations in Iasi and Buzau non-current assets that are not used for its core activity. They are held to acquire future appreciation and to be partly rented to third parties. Based on such criteria, in accordance with IAS 40 "Investment Property", the Company decided to classify such non-current assets as investment property.

The Group performs the revaluation of real Investment properties held at the end of each financial year.



(all amounts are expressed in lei, unless specified otherwise)

## 15. GOOD WILL

In accordance with International Financial Reporting Standards, Goodwill is reviewed at the end of each reporting period for any impairment losses. The goodwill as at June 30, 2022 is Lei 143,461.

## 16. OTHER INTANGIBLE ASSETS

Other intangible assets had during 2022 entries amounting to Lei 40,934.  
During the reporting period, the depreciation expense of the intangible assets was Lei 82,550.

## 17. OTHER FINANCIAL INVESTMENTS

In 2022 there were no changes regarding the Group's associates.

### Movements of the associates and financial assets

As at June 30, 2022 the balance of the investment in associates amounted to Lei 26.282,341 (31.12.2021 : Lei 23,324,617), recording an increase of Lei 2,957,724 as compared to December 31, 2021 owed to the associate Romgreen Universal LTD (Green-Group).

## 18. CURRENT INVENTORIES

During 2022, the Group's inventories average rotation were 61 days (2021: 48 days). On 30.06.2022, the current inventories registered a variation compared to the beginning of the year of + Lei 11,716,201. The highest increases were registered in Finished products (+ Lei 3,576,809), Raw materials (+ Lei 2,768,566) and Semi-finished products (+ Lei 2,469,925), while the most important decreases were registered in Wrappings (- Lei 64,698) and Residual products (- Lei 42,109). As a result of the instability registered in 2021 and which continued in 2022 on the market of raw materials, in particular polymers, the management of the Group decided to increase the safety stocks of raw materials necessary for the production activity.

## 19. TRADE AND OTHER CURRENT RECEIVABLES

	<b>Period ended June 30, 2022</b>	<b>Year ended December 31, 2021</b>
	<b>RON</b>	<b>RON</b>
Trade receivables <sup>1</sup>	61,931,210	52,965,513
Allowances for doubtful clients	(2,100,964)	(2,100,964)
Taxes recoverable	1,811,291	1,143,375
Other receivables	969,256	973,414
Other non-trade receivables	-	-
	<b>62,610,793</b>	<b>52,981,338</b>
<b>Total</b>	<b>62,610,793</b>	<b>52,981,338</b>

<sup>1</sup> The increase in trade receivables is due to the increase in sales with term payment in the Regenerated polymers & Compounds sector as a result of the return to activity before the Covid-19 pandemic, but also due to the increase in plastic processing prices due to rising raw material costs.



(all amounts are expressed in lei, unless specified otherwise)

	<b>Period ended June 30, 2022</b>	<b>Year ended December 31, 2021</b>
	<b>RON</b>	<b>RON</b>
<b>Changes of allowance for doubtful clients</b>		
<b>Balance at the beginning of the period</b>	<b><u>2,100,964</u></b>	<b><u>2,087,323</u></b>
Receivables transferred to expenses during the year Decrease of allowance recognized in profit and loss		13,642
<b>Balance at the end of the period</b>	<b><u>2,100,964</u></b>	<b><u>2,100,964</u></b>





(all amounts are expressed in lei, unless specified otherwise)

### 19. TRADE AND OTHER CURRENT RECEIVABLES (continued)

When determining the recoverability of a receivable, the Group takes into account any change in the receivable's crediting capacity from the date the loan was granted, until the reporting date. The level of credit risk is limited given that the client basis is large and the client portfolio is diverse and clients are independent from each other.

The Group registers adjustments of receivables as per IFRS 9, and specific allowances for doubtful clients. Therefore, the Group's management considers that there is no need for an additional provision exceeding the allowance for doubtful debts.

30/06/2022	Not past due	Trade receivables – days past due					Total
		<30	31-60	61-90	91-120	>120	
Expected loss rate	0.00%	0.01%	0.02%	0.02%	0.03%	0.06%	
Total gross carrying amount of specific un-provisioned receivables	49,154,978	5,537,798	430,242	206,619	599,751	322,735	<b>56,252,124</b>

31/12/2021	Not past due	Trade receivables – days past due					Total
		<30	31-60	61-90	91-120	>120	
Expected loss rate	0.00%	0.01%	0.02%	0.02%	0.03%	0.06%	
Total gross carrying amount of specific un-provisioned receivables	40,538,004	4,234,902	2,043,197	269,188	66,999	481,611	<b>47,633,902</b>



(all amounts are expressed in lei, unless specified otherwise)

## 20. OTHER CURRENT FINANCIAL ASSETS

The balance of bank deposits as at June 30, 2022 was Lei 169,079.

## 21. OTHER CURRENT NON - FINANCIAL ASSETS

The balance of other non-financial current assets amounted to Lei 2,526,348 as at June 30, 2022, while on December 31, 2021 the balance was Lei 4,621,551. The significant decrease was registered in amounts paid in advance (- Lei 1,741,695).

## 22. CASH ON HAND AND AT BANKS

Within the meaning of statement of cash flows, cash and cash equivalent include petty cash and bank accounts. Cash and cash equivalents at the end of the financial year, as presented in the statement of cash flows, may be reconciled with the corresponding elements of balance sheet, as follows:

	<b>Period ended June 30, 2022</b>	<b>Year ended December 31, 2021</b>
	<b>RON</b>	<b>RON</b>
Cash at banks	12,407,823	17,272,872
Cash on hand	47,783	39,880
Cash equivalents	137,639	284,141
<b>Total</b>	<b>12,593,245</b>	<b>17,596,893</b>

## 23. ASSETS HELD FOR SALE

The assets held for sale have the following geographical distribution:

<b>Assets held for sale</b>	<b>Period ended June 30, 2022</b>	<b>Year ended December 31, 2021</b>
	<b>RON</b>	<b>RON</b>
Iasi	70,845	70,845
Buzau	3,689,310	3,689,310
<b>Total</b>	<b>3,760,155</b>	<b>3,760,155</b>



(all amounts are expressed in lei, unless specified otherwise)

## 24. ISSUED CAPITAL

	<b>Issued Capital</b>	
	<b>June 30, 2022</b>	<b>December 31, 2021</b>
	<b>RON</b>	<b>RON</b>
264,122,096 fully paid ordinary shares (2021: 264,122,096). The value of one share is LEI 0.1 Inflation effect according to IAS 29	26,412,210	26,412,210
	-	-
<b>Total</b>	<b>26,412,210</b>	<b>26,412,210</b>

	<b>June 30, 2022</b>		<b>December 31, 2021</b>	
	<b>No. of shares</b>	<b>% Holding</b>	<b>No. of shares</b>	<b>% Holding</b>
Living Plastic Industry SRL	86,774,508	32.85%	86,774,508	32.85%
Joyful River Limited Loc, Nicosia CYP	54,195,089	20.52%	54,195,089	20.52%
Toderita Stefan Alexandru	32,500,000	12.30%	30,600,000	11.59%
Other legal entities	11,773,781	4.46%	11,613,182	4.40%
Other individuals	78,878,718	29.86%	80,939,317	30.64%
<b>Total</b>	<b>264,122,096</b>	<b>100%</b>	<b>264,122,096</b>	<b>100%</b>

The main characteristics of the securities issued by the parent company: 264,122,096 nominal shares, dematerialized, at nominal value of LEI 0.1.

## 25. RETAINED EARNINGS

	<b>Period ended June 30, 2022</b>	<b>Year ended December 31, 2021</b>
	<b>RON</b>	<b>RON</b>
<b>Balance at the beginning of the year</b>	<b>49,182,732</b>	<b>49,238,098</b>
Net profit / (net loss) attributable to parent	10,326,000	1,793,730
Reclassification of revaluation reserve to retained earnings	252,296	945,405
Transfer of retained earnings to reserves	-	(26,914)
Corrections of financial assets disposed	-	(155,540)
Dividends paid	(2,641,221)	(2,641,221)
Other	45,146	29,175
<b>Balance at the end of the year</b>	<b>57,164,952</b>	<b>49,182,732</b>



(all amounts are expressed in lei, unless specified otherwise)

## 26. RESERVES

	Period ended June 30, 2022	Year ended December 31, 2021
	<u>RON</u>	<u>RON</u>
Revaluation reserves	38,456,244	38,708,540
Legal reserves	4,009,201	4,009,201
Other reserves	18,627,403	18,627,403
Translation differences	(1,117,788)	(1,117,784)
<b>Total</b>	<b><u>59,975,060</u></b>	<b><u>60,227,360</u></b>

## 27. NON-CONTROLLING INTERESTS

	Period ended June 30, 2022	Year ended December 31, 2021
	<u>RON</u>	<u>RON</u>
<b>Balance at the beginning of the year</b>	<b><u>915,581</u></b>	<b><u>909,941</u></b>
Share of profit / (loss) for the year	3,684	(3,118)
Share of other items of capital		
Decrease of minority holding further to the increase of parent's holding		
Corrections regarding dissolution of subsidiaries	-	8,758
<b>Balance at the end of the year</b>	<b><u>919,265</u></b>	<b><u>915,581</u></b>

## 28. OTHER FINANCIAL LIABILITIES

	<b>OTHER CURRENT FINANCIAL LIABILITIES</b>		<b>OTHER NON-CURRENT FINANCIAL LIABILITIES</b>	
	June 30, 2022	December 31, 2021	June 30, 2022	December 31, 2021
	<u>RON</u>	<u>RON</u>	<u>RON</u>	<u>RON</u>
<b>Secured loans</b>				
- at amortized cost				
Borrowings (Overdraft and Investment loans)	75,434,713	67,635,179	4,023,471	7,623,547
Lease liabilities	-	-		0
<b>Total</b>	<b><u>75,434,713</u></b>	<b><u>67,635,179</u></b>	<b><u>4,023,471</u></b>	<b><u>7,623,547</u></b>



(all amounts are expressed in lei, unless specified otherwise)

**28. OTHER FINANCIAL LIABILITIES (continued)**

<b>Short-term borrowings</b>	<b>Entity</b>	<b>30-jun-22</b>	<b>31-dec-21</b>
		<b>RON</b>	<b>RON</b>
Linie credit Euro – EximBank SA	Romcarbon	12,422,828	12,290,542
Investment loan II Euro-BRD	Romcarbon	205,981	515,237
Investment loan III Euro-BRD	Romcarbon	0	65,055
Linie credit Euro – UniCredit Bank SA	Romcarbon	23,490,319	23,347,205
Credit facility Euro – inventory purchase - UniCredit Bank SA - I	Romcarbon	8,060,525	7,131,743
Credit facility Euro – inventory purchase - UniCredit Bank SA - RCB&LJI	Romcarbon	1,551,389	-
Investment loan VI in euro- UniCredit Bank	Romcarbon	364,669	341,069
Investment loan Euro - UniCredit Bank SA - Project CCE 2015	Romcarbon	2,151,249	2,152,424
Investment loan in lei I - Eximbank SA	Romcarbon		420,086
Investment loan in lei II - Eximbank SA	Romcarbon	298,416	596,833
Credit facility Euro – inventory purchase - UniCredit Bank SA - RCB&LJI	LivingJumbo Industry	2,335,364	-
Credit line in Euro – EximBank SA	LivingJumbo Industry	9,023,547	8,825,961
Investment loan in Euro - UniCredit Bank SA - Project CCE 2015	LivingJumbo Industry	3,336,877	3,338,699
Investment loan in Euro-UniCredit Bank SA	LivingJumbo Industry	45,572	260,203
Investment loan I in Euro -BRD	LivingJumbo Industry	44,360	310,676
Multiproduct facility (factoring) in lei - Eximbank SA	LivingJumbo Industry	4,748,809	145,182
Credit in lei - CEC Bank	LivingJumbo Industry	4,845,882	4,312,663
Credit line - Eximbank SA	Energoinstall	996,425	460,887
Credit for financing the current activity - Eximbank SA	Energoinstall	1,512,500	3,120,715
<b>Total</b>		<b>75,434,713</b>	<b>67,635,179</b>

<b>Long-term borrowings</b>	<b>Entity</b>	<b>30-jun-22</b>	<b>31-dec-21</b>
		<b>RON</b>	<b>RON</b>
Investment loan VI in euro- UniCredit Bank	Romcarbon	1,094,008	1,259,422
Investment loan Euro - UniCredit Bank SA - Project CCE	Romcarbon	1,681,039	2,758,169
Investment loan Euro - UniCredit Bank SA - Project CCE 2015	LivingJumbo Industry	1,248,424	2,918,456
Credit for financing the current activity - Eximbank SA	Energoinstall	0	687,500
<b>Total</b>		<b>4,023,471</b>	<b>7,623,547</b>



(all amounts are expressed in lei, unless specified otherwise)

## 28. OTHER FINANCIAL LIABILITIES (continued)

### ***Credit contracts signed in 2022***

**a) *Short-term credit – financing the purchase of inventories contracted from UniCredit Bank SA in amount of EUR 3,000,000 (ctr. BUZA/73770/CSC)***

- Currency : EUR and RON
- Borrowees: Romcarbon SA and Livingjumbo Industry SA
- Balance of the drawings of Romcarbon SA in EURO as at 30.06.2022: LEI 1,551,389 (equivalent of EUR 313,704)
- Balance of the drawings of Livingjumbo Industry SA in EURO as at 30.06.2022: Lei 2,335,364 (equivalent of EUR 472,229)
- Due on: 07.06.2023
- Guarantees:
  1. Mortgage of equipment owned by Romcarbon SA and Livingjumbo Industry SA;
  2. Mortgage on movable goods of the nature of stocks that will be purchased with financing from this credit having a value of at least Eur 2,000,000;
  3. Mortgage over the credit balance of the accounts in lei or foreign currency opened by S.C. Romcarbon S.A. and Livingjumbo Industry SA with UniCredit Bank – Buzău Branch;

**b) *Investment loan in amount of Eur 2,950,000 to finance and re-finance objectives included in the 2022 investment plan contracted from UniCredit Bank SA Buzau Branch, (ctr. BUZA/74706/CSC)***

- Currency : EUR and RON
- Balance of the drawings as at 30.06.2022: 0
- Due on: 08.06.2027
- Guarantees:
  1. Mortgage on an immovable asset (land + constructions), identified by the cadastral number 64815 (in total area of 13,678 sq m) located in Buzau, 132 Transilvaniei street
  2. Mortgage over the credit balance of the accounts in lei or foreign currency opened by S.C. Romcarbon S.A. with UniCredit Bank – Buzău Branch;
  3. The movable mortgage on the machinery that will be purchased with financing from the present facility.



(all amounts are expressed in lei, unless specified otherwise)

## FINANCE LEASE LIABILITIES

### Lease contracts

Finance leases refer to vehicles leased for 5-6 years' term. The Group has the option to purchase the equipment for a nominal amount at the end of the contractual terms. The Group's finance lease obligations are secured by the lessee's ownership right over the assets.

### Finance lease liabilities

	Minimum lease payments		Present value of minimum lease payments	
	June 30, 2022	December 31, 2021	June 30, 2022	December 31, 2021
	RON	RON	RON	RON
<b>Present value of finance lease payments</b>				
Amounts due within one year	-	-	-	-
More than one year, but less than 5 years	-	-	-	-
<b>Total lease liabilities</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>

## 29. TRADE AND OTHER CURRENT PAYABLES

	Period ended June 30, 2022	Year ended December 31, 2021
	RON	RON
Trade liabilities <sup>1</sup>	45,322,425	49,203,709
Suppliers invoices not received	1,402,252	1,113,793
Advances to clients	3,533,498	3,287,775
Sundry creditors (a)	4,126,473	1,619,388
Miscellaneous payable	-	-
<b>Total</b>	<b>54,384,648</b>	<b>55,224,665</b>

<sup>1</sup> The increase in commercial debts is due to the increase in the purchase costs of raw materials, plastic granules.

## 30. OTHER NON-FINANCIAL LIABILITIES

	Other current non-financial liabilities		Other non-current non-financial liabilities	
	June 30, 2022	December 31, 2021	June 30, 2022	December 31, 2021
	RON	RON	RON	RON
Subsidies	3,745,692	3,745,692	14,442,960	16,015,575
Other current liabilities	5,757,372	3,900,495	-	-
<b>Total</b>	<b>9,503,064</b>	<b>7,646,187</b>	<b>14,442,960</b>	<b>16,015,575</b>



*(all amounts are expressed in lei, unless specified otherwise)*

## DEFERED INCOME

As at June 30, 2022 the value of the investment subsidies received by the Group amounts to Lei 18,188,651, as follows:

Romcarbon SA:	10,049,884 lei
Livingjumbo Industry SA:	8,138,767 lei

As at December 31, 2021 the value of the investment subsidies received by the Group amounts to Lei 19,761,267, as follows:

Romcarbon SA:	10,879,379 lei
Livingjumbo Industry SA:	8,881,888 lei

## 31. FINANCIAL INSTRUMENTS

### (a) Capital risk management

The Group manages its capital to ensure that Group entities will be able to continue as a going concern while maximizing revenues for shareholders, by optimizing the debt and equity balance.

The Group's capital consists of liabilities, which include the borrowings presented in note 28, cash and cash equivalent and equity attributable to the company. Equity comprises the share capital, reserves and retained earnings as presented in notes 24, 25 and 26.

The management of the Group's risk also consists in a regular review of the capital structure. As part of this review, the management takes into account the cost of capital and risks associated with each class of capital. Based on the management's recommendations, the Group will balance the general structure of its capital by dividend payment, issuance of new shares and redemption of shares, as well as by contracting new debts or settling existing debts.

### (b) Main accounting policies

Details of the main accounting policies and methods adopted, including the criteria for recognition, the basis of measurement and the basis on which income and expenses are recognized, in respect of each class of financial asset, financial liability and equity instrument are disclosed in Note 2 to the financial statements.

### (c) Objectives of financial risk management

The Group's treasury function supplies services necessary to the business, coordinates access to national and international financial market, monitors and manages financial risk related to the Group's operations through reports on internal risks, analysing exposure by the degree and extent of risks. Such risks include market risk (including currency risk, fair value interest rate risk and price risk), credit risk, liquidity risk and cash flow interest rate risk.

### (d) Market risk

The Group's activities expose it firstly to financial risks regarding the fluctuation of the foreign exchange rate (see (e) below) and interest rate (see (f) below).

There has been no change in the Group's exposure to market risks or in the manner the Group manages and measures risks.

### (e) Currency risk management

The Group undertakes transactions denominated in various foreign currencies. Hence, exposures to exchange rate fluctuations arise. Exchange rate exposures are managed within approved policies.





*(all amounts are expressed in lei, unless specified otherwise)*

### **31. FINANCIAL INSTRUMENTS (continued)**

#### **(f) Interest rate risk management**

The Group is exposed to interest rate risk given that Group entities borrow funds both at fixed and at variable interest. The risk is managed by the Group by maintaining a balance between fixed rate and variable rate borrowings.

The Group's exposures to interest rates over financial assets are presented in the section regarding liquidity risk management under this note.

#### **(g) Other risks regarding prices**

The Group is exposed to risks related to equity, arising from equity investments. Equity investments are held for strategic purposes rather than commercial purposes. The Group does not actively trade such investments.

#### **(h) Credit risk management**

Credit risk refers to the risk that counterparty will default on its contractual obligations resulting in financial loss to the Group. The Group has adopted a policy of only dealing with creditworthy counterparties and obtaining sufficient collateral where appropriate, as a means of mitigating the risk of financial loss from defaults. The management monitors the Group's exposure and the credit ratings of its contractual counterparties.

Trade receivables consist of a large number of clients from various industries and geographical areas. Credits are constantly assessed as regards the clients' financial status and, if applicable, credit insurance is concluded.

The Group does not have any significant credit risk exposure towards any counterparty or any group of similar counterparties. The Group defines counterparties as having similar characteristics when they are related entities. At no time during the year has the credit risk percentage exceeded 5% of the gross monetary assets.

#### **(i) Liquidity risk management**

The ultimate responsibility for liquidity risk management rests with the Board of Administration, which has built a proper liquidity risk management framework regarding the Group funds' short, medium and long term insurance and the liquidity management requirements. The Group manages liquidity risk by maintaining adequate reserves, backup banking facilities and loan facilities, by continually monitoring cash flows and matching the maturity profiles of financial assets and liabilities. Note 32 includes a list of additional facilities not drawn, available to the Group in order to further mitigate liquidity risk.

#### **(j) Fair value of financial instruments**

The fair values of financial assets and liabilities are determined as follows:

- the fair value of financial assets and liabilities with standard terms and conditions and traded on active liquid markets are determined by reference to quoted market prices;
- the fair value of other financial assets and liabilities (excluding derivative instruments) is determined in accordance with generally accepted pricing models based on discounted cash flow analysis using prices from observable current market transactions; and
- the fair value of derivative instruments is calculated using quoted prices. Where such prices are not available, use is made of discounted cash flow analysis using the applicable yield curve for the duration of the instruments for non-optional derivatives, and option pricing models for optional derivatives.

The financial statements include unlisted share holdings, measured at fair value. The best estimate for fair value is determined using the historical cost of shares.

The financial instruments in the balance sheet include trade receivables and other receivables, cash and cash equivalents, short and long term borrowings and other liabilities. The estimated fair values of such instruments approximate their carrying values. The carrying values represent the Group's maximum exposure to credit risks related to existing receivables.



(all amounts are expressed in lei, unless specified otherwise)

### 31. FINANCIAL INSTRUMENTS (continued)

The carrying values of the Group's currencies expressed in monetary assets and liabilities as at the reporting date are as follows:

2022	EUR	USD	Leu	June 30,
	1 EUR = 4.9454 lei	1 USD = 4.7424 lei	1 lei	2022 Total
	RON	RON	RON	RON
Cash and cash equivalents	3,584,139	870,968	8,138,138	12,593,245
Receivables and other current assets	18,169,408	-	44,441,385	62,610,793
Other current financial assets	-	-	169,078	169,078
Other current non-financial assets	130,362	350	2,395,637	2,526,348
<b>LIABILITIES</b>				
Trade and other liabilities	18,313,526	17,232	36,053,889	54,384,647
Short and long-term borrowings	63,227,455	-	16,230,729	79,458,184
Short and long-term finance lease liabilities	-	-	-	-
Other current non-financial liabilities	208	-	9,502,855	9,503,064
<b>2021</b>				
	EUR	USD	Leu	December 31,
	1 EUR = 4.9481 lei	1 USD = 4.3707 lei	1 lei	2021 Total
	RON	RON	RON	RON
Cash and cash equivalents	2,728,892	1,421,134	13,446,868	17,596,893
Receivables and other current assets	14,005,125	-	38,976,213	52,981,338
Other current financial assets	-	-	617,902	617,902
Other current non-financial assets	130,362	-	4,491,190	4,621,551
<b>LIABILITIES</b>				
Trade and other liabilities	16,091,168	15,882	39,117,615	55,224,664
Short and long-term borrowings	62,205,375	-	13,053,351	75,258,726
Short and long-term finance lease liabilities	-	-	-	-
Other current non-financial liabilities	208	-	7,645,979	7,646,187
	-	-	-	-

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(all amounts are expressed in lei, unless specified otherwise)

### 31. FINANCIAL INSTRUMENTS (continued)

The Group is mainly exposed to EUR and USD exchange rates. The following table details the Group's sensitivity to a 10% increase and decrease in the LEI against the USD/EUR. 10% is the sensitivity rate used when reporting foreign currency risk internally to top management and represents management's estimate of the reasonably possible changes in foreign exchange rates. The vulnerability analysis includes only outstanding foreign currency denominated in monetary items and adjusts their translation at the period end for a 10% change in foreign currency rates. In the following table, a negative number below indicates a decrease in profit, whereas the LEI weaken 10% against the EUR/USD. For a 10% strengthening of the LEI against the EUR/USD, there would be an equal and opposite impact on the profit and other equity, and the balances below will be positive. Changes will be attributable to the exposure related to EUR borrowings at the end of the year.

	<b>June 30, 2022</b>	<b>December 31, 2021</b>
	<b>RON</b>	<b>RON</b>
<b>Loss</b>	<b>(5,880,319)</b>	<b>(6,002,712)</b>

#### Tables regarding liquidity and interest rate risks

The following tables present the maturity terms of the Group's financial liabilities.

The tables have been prepared based on the cash flows, not current, of the financial liabilities on the nearest date when the Group is likely to be claimed payment. The table includes both interest and cash flows related to principal.

<b>2022</b>	<b>Less than 1 year</b>	<b>1-2 years</b>	<b>2-5 years</b>	<b>Total</b>
	<b>RON</b>	<b>RON</b>	<b>RON</b>	<b>RON</b>
<b>Non-interest bearing</b>				
Trade liabilities	54,384,647	-	-	<b>54,384,647</b>
Other current liabilities	9,503,064	-	-	<b>9,503,064</b>
<b>Interest bearing instruments</b>				
Short and long-term borrowings	75,434,713	3,658,801	364,670	<b>79,458,184</b>
Short and long-term leases	-	-	-	-
<b>Non-interest bearing</b>				
Cash and cash equivalents	12,593,245	-	-	<b>12,593,245</b>
Receivables and other current assets	62,610,793	-	-	<b>62,610,793</b>
<b>Interest bearing</b>				
Other current financial assets	169,078	-	-	<b>169,078</b>
<b>2021</b>				
	<b>Less than 1 year</b>	<b>1-2 years</b>	<b>2-5 years</b>	<b>Total</b>
	<b>RON</b>	<b>RON</b>	<b>RON</b>	<b>RON</b>
<b>Non-interest bearing</b>				
Trade liabilities	55,224,664	-	-	<b>55,224,664</b>
Other current liabilities	7,646,187	-	-	<b>7,646,187</b>
<b>Interest bearing instruments</b>				
Short and long-term borrowings	67,635,179	7,083,794	539,753	<b>75,258,726</b>
Short and long-term leases	-	-	-	-
<b>Non-interest bearing</b>				
Cash and cash equivalents	17,596,893	-	-	<b>17,596,893</b>
Receivables and other current assets	52,981,338	-	-	<b>52,981,338</b>
<b>Interest bearing</b>				
Other current financial assets	617,902	-	-	<b>617,902</b>



(all amounts are expressed in lei, unless specified otherwise)

### 31. FINANCIAL INSTRUMENTS (continued)

The table below present the credit limit and the balance of 10 major counterparties as at the date of the balance sheet, in LEI:

COMPANY	COUNTERPARTY	SALES 6 MONTHS OF 2022	RECEIVABLES AS AT 30.06.2022	LIMIT CREDIT	CREDIT DAYS
Romcarbon SA	DEDEMAN SRL BACAU	5,445,057	3,200,636	NO	90
Romcarbon SA	COMANDOR IMPEX SRL	4,506,572	763,812	NO	45
Romcarbon SA	KASAKROM CHEMICALS SRL	4,075,419	630,148	NO	20
Romcarbon SA	PH BRATPOL JERZY BRATKOWSKI POLONIA - EUR	3,398,294	-124,829	NO	0
Romcarbon SA	KINTRADE EOOD	2,672,547	1,228,003	NO	55
Livingjumbo Industry	MICRO GRUP BUSINESS SOLUTION SRL	10,172,477	7,887,611	NO	90
Livingjumbo Industry	POLIMERO	7,452,962	1,323,684	NO	35
Livingjumbo Industry	SIGMA BAGS	4,376,733	3,213,450	NO	90
Livingjumbo Industry	EXPERGO BUSINESS NETWORK SRL	4,012,878	1,252,369	NO	60
Livingjumbo Industry	Allbags Sp. z o.o.	3,832,852	578,475	NO	60

### 32. RELATED PARTY TRANSACTIONS

The transactions among the Parent and its subsidiaries – Group’s related parties – were eliminated from the consolidation and are not presented under this note. Companies and individuals may be deemed related parties if one party holds control or exercises significant influence over the other party.

#### Indemnities granted to top management

The remuneration of managers and other top management members was the following:

	Period ended June 30, 2022 RON	Period ended June 30, 2021 RON
Executive management salaries	2,259,215	2,166,204
Benefits for Board of Administration	21,663	21,270
<b>Total</b>	<b>2,280,878</b>	<b>2,187,474</b>

The remuneration of managers and executive personnel is determined by the shareholders, depending on individual performances and market conditions.

Shareholder borrowings	June 30, 2022 RON	December 31, 2021 RON
WU HUI TZU (Livingjumbo Industry SA)	18,417	18,417
WINPACK INDUSTRY (Eco Pack Management SA)	242,287	242,287
<b>Total</b>	<b>260,704</b>	<b>260,704</b>



(all amounts are expressed in lei, unless specified otherwise)

### 32. RELATED PARTY TRANSACTIONS (continued)

#### Related party transactions

	Sales of goods and services (w/o VAT)		Purchases of goods and services (w/o VAT)		Receivables from related parties		Payables to related parties	
	6 Months of 2022	6 Months of 2021	6 Months of 2022	6 Months of 2021	June 30, 2022	December 31, 2021	June 30, 2022	December 31, 2021
GREENFIBER INTERNATIONAL SA	1,647,859	2,055,372	9,532	17,768	407,428	5,169	3,086	2,381
GREENTECH SA	1,696,485	1,579,544	32,131	53,587	211,674	1,523	0	875
GREENWEEE INTERNATIONAL SA	280,314	355,809	350,717	596,562	8,320	0	229,224	215,704
GREEN RESOURCES MANAGEMENT S.A.	0	5,713	110,299	346,393	0	0	21,301	44,771
ELTEX RECYCLING SRL	4,330	0	0	0	0	0	0	0
<b>TOTAL</b>	<b>3,628,988</b>	<b>3,996,437</b>	<b>502,678</b>	<b>1,014,310</b>	<b>627,423</b>	<b>6,692</b>	<b>253,611</b>	<b>263,731</b>

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*(all amounts are expressed in lei, unless specified otherwise)*

### 33. ACQUISITION OF SUBSIDIARIES

In 2022 the Group did not purchase new subsidiaries.

### 34. DISPOSAL OF SUBSIDIARIES

In 2022, the Group did not sell subsidiaries.

### 35. COMMITMENTS AND CONTINGENCIES

There are no changes

### 36. SUBSEQUENT EVENTS

#### ROMCARBON SA

On July 20, 2022, S.C. ROMCARBON S.A. (as Seller-constituent) concluded with S.C OFFICE & LOGISTIC S.R.L. (as Buyer-beneficiary) the sale-purchase contract and establishment of a right of way easement, contract having as its object : (i) the sale of the land with a total area of 504 sq m., located in the urban area of the Municipality of Iasi, Calea Chisinauului no. 29, Iasi, Iasi County and (ii) the establishment for free and for an indefinite period of a right of servitude for pedestrian crossing and with means of transport with a maximum tonnage of 40 tons on the real estates owned by ROMCARBON S.A., located in the suburbs of the Municipality of Iasi, Calea Chisinului no. 29, Iasi, Iasi County.

The sale price was LEI 249,299, excluding VAT, the equivalent of EUR 50,400 and was paid by OFFICE & LOGISTIC S.R.L on January 04, 2022.

The group did not identify any other significant subsequent events.

The condensed interim consolidated financial statements have been authorized by the Board of Directors to be issued on August 12, 2022.

#### PREPARED BY,

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**ROMCARBON SA** | Thinking forward

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